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Livestock, Dairy, and Poultry Outlook

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United States Bans Imports of Canadian Ruminant Animals and Products

The recent discovery of bovine spongiform encephalopathy (BSE) in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. Due to the uncertainties as to the length of the ban, the impact of BSE in this report is limited to impacts of the ban through June 11.

Already tight red meat and poultry supply conditions were exacerbated in May and early June as the cessation of imports of Canadian beef and fed cattle for immediate slaughter further tightened the supply situation. Boxed beef prices moved to record levels in late May through early June, and demand remained strong for the tighter supply, particularly higher quality beef.

Higher beef and cattle prices have encouraged earlier marketing of cattle from feedlots, and thus, increased cattle slaughter in the second quarter. Beef prices were already strong as cattle were marketed at lighter weights from poor feeding conditions last winter. Dressed weights are expected to average well below last year in the second quarter.

Milk production, pounded by low milk prices, has slowed considerably. However, the easing in production is owed more to very weak growth in milk per cow than to a turnaround in milk cow numbers. A likely recovery in milk per cow probably will offset some of the projected loss of milk cow numbers in coming months. Lack of significant recovery in wholesale prices will leave farm milk prices low during the rest of 2003, even though second-half prices are expected to average near a year earlier. For the year, farm milk prices are projected to average \$0.50 to \$1 per hundredweight (cwt) lower than 2002 and about \$3.25 to \$3.75 lower than the 2001 record.

Hog prices are higher than earlier expected, especially in the second quarter. Price strength comes from lower pork production, seasonal price strength, and record-high retail beef prices. The *Quarterly Hogs and Pigs* report to be released on June 27, will provide further information about pork production prospects in the coming months.

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The next release is
July 17, 2003

Approved by the
World Agricultural
Outlook Board.

Strong Demand, Tight Beef Supplies Produce Record Meat Prices

Demand for beef has been very strong this year, with retail prices for Choice beef moving into record territory in February, breaking the old record of \$3.476 set in June 2001. Weather conditions deteriorated beginning with a series of storms in late February with wet cold weather continuing through mid-spring. Although slaughter weights have stayed above the low levels of 2001 they dropped rapidly early in the year and remain well below the record 2002 levels. With supplies well below expectations, beef prices began to rise sharply. Retail prices set records again in March and April (\$3.65). Already tight supply conditions worsened in May due to the discovery of bovine spongiform encephalopathy (BSE) in Canada, resulting in the United States placing a ban on imports of ruminant animals and products from Canada as of May 20. The resulting cessation of imports of Canadian beef and fed cattle for immediate slaughter further tightened the supply situation. Boxed beef prices moved to record levels in late May through early June and demand remained strong for the tighter supply, particularly higher quality beef.

Forage Conditions Remain Uncertain

While moisture conditions have improved in most regions, conditions in the West have turned hot and drier, while the eastern half of the country remains relatively wet and cool. Reservoir supplies have improved in parts of the West, but in general reservoir levels remain well below normal. Hay stocks will need to be rebuilt in most areas, but cool, wet weather in much of the eastern half of the country may sharply reduce harvest quality and quantity, particularly for grass hay. Although shrinking in the Northern Great Plains, drought areas have begun to expand again and a return to hot dry conditions would sharply reduce grazing conditions in many areas where grass stands have weakened due to prolonged or intermittent drought since 1998.

Poor Weather Conditions Producing Mixed Signals

Poor feeding conditions since late February resulted in sharply lower fed cattle slaughter weights than a year earlier. The decline was exacerbated by cattle being drawn forward to increase production. Weights reached seasonal lows in mid-April, but the rate of increase in subsequent months will be slowed as cattle are marketed out of feedlots ahead of schedule to fill the void in supply left by the unexpected ban on Canadian beef. Cattle slaughter rose with the May 20 import ban on Canadian beef. Weekly slaughter moved up 8 percent from a year earlier to 767,000 head for the week ending May 24; slaughter was 661,000 head on the shortened Memorial Day week, up nearly 5 percent; and 791,000 head the week ending June 7, up 8.5 percent from 2002 and the largest weekly slaughter for this cattle cycle—767,000 head were slaughtered in mid-1996.

Slaughter is expected to remain, large reflecting the continued strong demand for beef, but also the likely summer marketing date for the large placements of heavy weight feeder cattle into feedlots over the past couple of months. Placements of cattle on feed in March and April were up 4 and 29 percent, respectively. Not only were placements large, but weights were sharply above a year earlier, with many of the cattle fleshy coming off wheat grazeout acreage earlier than normal due to dry conditions. Many of these cattle will be marketed in mid-summer. The major problem the market continues to have is an insufficient number of higher grading cattle to meet the strong demand for better eating, more consistent quality Choice beef. Marketing ahead of schedule only worsens this situation, but prices for all beef have risen.

Cow slaughter remains high, particularly dairy cow slaughter. Through May, beef cow slaughter is up about 1 percent from a year earlier, dairy cow slaughter is up about 16 percent. Strong cattle

prices and some improvement in forage conditions for the sharply reduced beef cow inventory is likely to result in lower beef cow slaughter in the second half of the year. However, downward inventory adjustments in the dairy cow herd are likely to continue through winter 2003/04, although the year-to-year increases are likely to slow. The current cow slaughter data plus larger movements of heavier heifers through auction markets suggest little movement toward beef herd stabilization, much less expansion in 2003.

Although cow slaughter has been large, the usual mix of processing beef products available in the market has resulted in a very different price picture. Because fed cattle slaughter weights and thus feedlot finish have been sharply reduced, the supply of fat trimmings has tightened. Prices for 50 percent lean beef moved above year-earlier levels in late 2002, but prices have risen sharply since mid-winter, with prices in May averaging \$66.16 a cwt, more than double last year's \$27.84. Conversely, 90 percent lean beef has languished, with prices in May averaging \$111.02 a cwt, down from \$115.90 a year earlier. Prices for lean beef imports are selling at a sharp discount to the

domestic product, averaging \$90.43 a cwt in May, down from \$107.23 a year earlier.

Retail Prices Remain Strong, But Product Switches Likely

The rapid rise in retail beef prices and boxed beef prices to record levels in early June are strong evidence of the strong demand for beef and also the cost of fulfilling short-term commitments as Canadian beef was banned from the market. In the intermediate term, the market will attempt to shift to alternative products at more attractive prices relative to beef. With the slaughter being pulled forward this spring, beef production is likely to be about unchanged from a year earlier in the second quarter. Supplies of both pork and poultry are expected to average 1 to 2 percent below a year earlier this spring. Even so retail prices of both remain relatively more attractive than beef. However, the market for beef has been very strong and there is little evidence in live or boxed beef prices suggesting much of a slowdown in beef demand. However, the specter of larger numbers of likely heavy weight fed cattle and boxed beef coming in from Canada some time in the future weigh on the market.

Beef and Cattle Trade

Trade in beef and cattle between the United States and Canada has been disrupted by the discovery of a Canadian animal infected with BSE on May 20th. No Canadian beef or cattle have been allowed entry into the United States and most other countries since that date. Since the detection of the single case of BSE in Canada, USDA regulatory agencies have been in constant contact with their Canadian counterparts.

As it is unknown when the border will again reopen, trade estimates only reflect the absence of U.S.-Canadian trade to June 11. Monthly imports of Canadian beef and cattle average around 85,000 head and 85 million pounds, respectively, at this time of year. U.S. exports of beef and cattle to

Canada have also been reduced because of the increased supply situation in Canada. The U.S. exports about 12,000 head of cattle and nearly 20 million pounds of beef monthly at this time of year. The second largest market for Canadian beef is Mexico and the absence of this market for Canada could effect U.S. beef exports to Mexico.

Although beef imports in the second quarter were reduced because of Canada, imports from other markets are expected stronger. Imports from New Zealand were larger than expected in the first quarter, and Uruguay has been allowed to begin exporting fresh/chilled and frozen product again to the United States, and imports from Uruguay may expand in the second half of the year. Beef imports are now expected to be somewhat higher this year than earlier expected.

Production Weakening Begins

Milk production, pounded by low milk prices, has seen growth slow considerably. April output in the 20 major States was within 1 percent of a year earlier for the first time since October 2001. However, easing in milk production owed more to very weak growth in milk per cow than to a turnaround in milk cow numbers. A likely recovery in milk per cow probably will offset some of the projected loss of milk cows in coming months.

April milk cow numbers (20 States) were below first-quarter levels and only 0.5 percent above a year earlier. Cow numbers generally rose from October 2001 through March 2003. The very low returns are beginning to slow expansions by the stronger producers and may be triggering exit of weaker farms. However, the turnaround in cow numbers shows no sign of being dramatic and might even stall for a month or two before steady declines become established.

April milk cow numbers were substantially above a year earlier in California, New Mexico, and Idaho. However, increases in these typically high-growth western States had slowed since last year. This slowing was offset by some unusual strength in some Midwestern and Northeastern States. Michigan, New York, Pennsylvania, and Ohio showed increased or about unchanged cow numbers in April, reflecting a pick-up in new or greatly expanded farms and continued slow farm exit.

The addition of new capacity probably has slowed, and the recently added space probably has been mostly filled with cows. The recent and expected returns will limit interest in further expansions, and a significant share of expanders probably will buy discounted existing facilities rather than add new capacity. Much of the recent upward pressure on milk cow numbers probably has dissipated.

Exit of dairy farms reportedly has begun to pick up but clearly has yet to become common. Although recent low returns have produced considerable income stress on many operations, the high returns of earlier years probably were used for early

maintenance and capital replacement and may have left a cash reserve. In addition, payments under the Milk Income Loss Contracts (MILC) undoubtedly played a significant role, particularly for smaller farms.

Milk cow numbers are expected to slip below a year earlier this spring, before widening to about a 1-percent gap by yearend. For the year, milk cow numbers are projected to average only slightly fewer than in 2002.

Milk per cow remains quite weak. Compared with the 5-year average, milk per cow in recent months has risen at an annual rate of only 1.2-1.3 percent, far below the long-run trend of about 2 percent. Milk-feed price ratios have been at levels normally associated with below-trend gains in milk per cow but cannot fully explain the weakness. A number of other factors and adjustments appear to have affected milk per cow.

The shortage of replacement heifers disrupted normal culling practices in late 2001 and 2002. The return of more normal heifer demand this year probably has ended most of the direct effects of abnormal culling on milk per cow. Even so, the current milk cow herd probably has an unusually large share of first-calf heifers, creating a lagged weakness in average milk per cow that will persist until this bulge enters their second lactation.

Greatly mixed forage quality was typical for Midwestern and Northeast dairy farmers in 2002. By this spring, these farmers probably were faced with feeding inferior forage and suffering some loss of milk per cow or searching out relatively expensive good hay. Given the low milk prices, a significant number of dairy farmers reportedly opted for the former. In addition, some farmers may have cut back on relatively expensive concentrates such as cottonseed.

The low milk prices expected during the rest of 2003 will provide relatively little incentive to boost milk per cow through feeding. The emphasis likely will continue to be on cutting costs, even if milk per cow slips. The quality of forage in key dairy areas will be quite important. The season is off to a mixed start in most areas of the Midwest and

Northeast. Except for areas with particularly severe winter loss, hay stands are generally in good condition. However, wet weather has delayed and reduced the quality of the first cut. Late rains in California resulted in some quality problems in their early cuttings.

Milk per cow is projected to recover only slightly during the rest of 2003 and probably will stay relatively soft. Even so, increases from the weakening levels of a year earlier likely will pick up somewhat. For the year, average milk per cow is expected to rise only slightly more than 1 percent from 2002.

Increases in milk production are projected to persist through 2003 and beyond. Recovery in milk per cow is expected to mitigate the developing weakness in milk cow numbers. Total 2003 milk production is expected to rise about 1 percent, following 2002's increase of more than 2 percent.

Milk used in manufactured dairy products (on a milkfat basis) rose less than 1 percent from a year earlier in January, was virtually unchanged in February and March, and fell about 1 percent in April. Cheese has tended to have a small advantage over butter-nonfat dry milk plants in competing for the limited milk supplies, and cheese plants appeared to have had first claim on milk supplies to a possibly even greater extent than normal. However, somewhat erratic cheese sales have been reflected in uneven cheese production. Butter and nonfat dry milk output have weakened fairly steadily, going from small gains from a year earlier in January to substantial declines by April.

If fluid milk sales continue to post increases, supplies of milk for manufacturing probably will be a little tight during the rest of the year. However, supplies would need to tighten considerably more than a little to spark a significant price recovery.

Industry Stocks Heavy

Commercial stocks on May 1 remained huge, but seasonal increases have been much smaller than a year earlier. May 1 holdings were 12.7 billion pounds, milk equivalent, milkfat basis, up 1.7 billion from a year earlier. However, stocks grew

only 2.8 billion pounds between January 1 and May 1, compared with a 4-billion-pound jump during the same period of 2002. Modest slowing in milk production expansion and recovery in commercial use helped keep stocks from getting worse. However, industry adjustments to low prices have yet to start eroding the earlier stock accumulations.

Commercial stocks of skim solids were considerably more moderate. At 9.6 billion pounds, milk equivalent, skim solids basis, on May 1, stocks of skim solids were near the 2000-02 average for the date. Like milkfat inventories, holdings of skim solids grew considerably less during the first 4 months of 2003 than during the same months of 2002.

Butter stocks remain the major problem. May 1 commercial stocks were the largest ever, up a third from a year earlier. In the absence of aggressive retail specials, butter sales have been too lackluster to have much effect on inventories.

Industry stocks of cheese were large on May 1, but up only a modest seasonal amount from the start of the year. May 1 holdings were only slightly larger than a year earlier or the 2000-02 average for the date. Recent sales to the Government under the price support program have helped to trim stocks. Even so, these holdings probably were somewhat larger than necessary in light of the recent and anticipated market conditions.

May 1 manufacturers' stocks of nonfat dry milk were moderate, near the levels of the 2 preceding years. Continued large price support sales have kept commercial powder stocks from growing.

Sales Improve But Demand Still Sluggish

Dairy demand remains unsettled. Economic recovery has been uneven and not particularly strong. Consumer spending has grown, but consumers have been generally more cautious and have shifted expenditures among categories. Restaurant spending stays rather weak, a key factor for some dairy products.

Commercial use appears to be responding to the lower prices, although year-to-year changes in

sales have been erratic for most products. Market conditions during the first few months of the year were unsettled in both 2002 and 2003. Also, Easter was considerably later in 2003 than in 2002. For the first 4 months of 2003, total dairy product sales rose almost 3 percent on a milkfat basis. Commercial use of skim solids was not quite as strong but still managed an increase of almost 2 percent.

Cheese sales rose only about 1 percent from a year earlier during January-April. The restaurant slowdown has been a major effect on cheese use, particularly reflected in the lack of any growth in American cheese sales. Pizza sales reportedly have recovered a bit but are not robust. Food processor use of cheese also appears to have stayed somewhat soft. Although retail sales may have increased, these rises have been partially offset by weakness in other sectors.

Butter sales clearly were stronger this Easter than in 2002. For the first 4 months of the year, commercial disappearance rose more than 3 percent. Even so, butter demand has not recovered much in light of the very large price declines since 2001. Upscale restaurants have been particularly hurt by the downturn, and these operations use the most butter.

Commercial disappearance of nonfat dry milk has been very weak. During January-April, use fell almost a fifth from the already weak levels of a year earlier. Part of the drop was related to the ample supplies of wet solids available this year. But, use of nonfat dry milk in processed foods clearly has fallen, particularly in light of imported milk proteins being much less favorably priced this year. Many premium and high-value processed foods probably are suffering the same types of demand problems as some dairy products.

Growth in commercial use is expected to continue. Prices will remain low and demand is likely to continue its slow recovery. However, much of the sales improvement may be centered on the retail sector. Restaurant and food processing use may continue to be somewhat weak. Under these conditions, a surge in product movement does not seem likely. Commercial use is projected to rise about 2 percent on both milkfat and skim solids bases.

Butter and Cheese Surpluses Return

Net removals under the price support program have included all three products thus far in 2003, hardly surprising in light of the generally large supplies and sluggish demand. During January-May, removals of butter totaled 20 million pounds, up from none a year earlier. About two-thirds of these removals were purchases. Similarly, 37 million pounds of cheese were removed for price support, up from only 1 million in the same period of 2002. The 0.9 billion pounds, milk equivalent, milkfat basis, represented a quite small surplus even if it did loom large relative to last year's negligible level. The key difference between the 2 years was that this year's already huge commercial butter stocks could not absorb as much milkfat as a year ago.

The surplus of nonfat dry milk was actually a bit smaller in January-May, the first signs of a turnaround. Although purchases were similar to last year's, this year's differences in timing of Dairy Export Incentive Program (DEIP) contracts meant that less was exported during the first 5 months of the year. With the higher cheese removals, total removals on a milk equivalent, skim solids basis came to 5.4 billion pounds, slightly larger than a year earlier.

Seasonal tightening is expected to soon dry up butter purchases, although this may hinge on how quickly butter stocks decline this summer. Removals through DEIP will continue, although new contracts after the start of the quantity commitment year might be limited by the dollar subsidy limit that applies through September. At this stage, DEIP contracts are a more attractive way of reducing commercial stocks because they can utilize older butter, particularly for butteroil contracts.

Cheese removals probably will slow as well, although continued purchases of some out-of-position cheese is possible. The nonfat dry milk surplus is expected to stay large but generally less than a year earlier. For all of 2003, the surplus of milkfat is expected to total about 1 percent of total milkfat marketings, while the excess of skim solids is projected to be about 5 percent of marketings.

International Demand Soft

International dairy markets would appear to be subject to a number of price-boosting factors, but weak demand has forestalled any real increases. Supplies from Oceania are quite limited because of last season's drought, and tight winter forage supplies may affect recovery in the new season. Supplies in Europe are generally smaller than a year earlier, and the euro's strength has required several adjustments to the export restitution rates. But, economic weakness in a number of key countries and Middle East developments have kept buyers out of the markets. Despite the weakness in the dollar, skim milk powder prices have stayed around \$1,700 per metric ton (about 77 cents per pound), with butter prices still generally below \$1,300 per ton (58 cents per pound).

International prices are not expected to increase much in coming months, although new season production prospects in Oceania will be critical. Skim milk powder prices cannot rise much before they are capped by U.S. domestic prices. Export demand is not projected to be strong enough to drain the U.S. excess. Some increase in butter prices is possible, but demand is expected to stay weak.

U.S. dairy imports during January-April were about the same as a year earlier, except for American cheese. American cheese imports were larger, as shipments of Cheddar within the tariff-rate quota (TRQ) were made earlier this year than last, and imports of other American cheeses outside of the TRQ rose. The United States is probably the foremost market in the world for Cheddar and similar cheeses. Some exporters seem to have adopted a strategy in recent years of being a constant presence in the U.S. cheese market, even at the cost of occasional shipments at a short-run loss.

After reaching the World Trade Organization (WTO) quantity limits on cheese and nonfat dry milk in early March, all of the recent DEIP contracts have involved butter. Bids were invited for contracts covering the equivalent of 10,000 tons of butter, and this quantity was fully utilized by early June. The WTO quantity limit would allow an additional 11,000 tons to be contracted before June 30, 2003, with a new annual limit coming in

July. However, contracts through September may be affected by the separate limit on butter export subsidy expenditures. Recent bonuses have been almost \$2,000 a ton. At this rate, contracts covering only about 6,500 tons could be accepted through September 30, 2003.

Despite the general lack of aggressiveness by international buyers, DEIP offerings thus far in 2003 have been taken fairly quickly, possibly because Oceanic supplies were not available. This may indicate that new allocations for nonfat dry milk and cheese will draw quick attention when available.

Dairy Prices Stagger Along

Wholesale prices of butter and cheese generally have traded in a fairly narrow range since spring 2002. Although there have been a number of price movements, none have been sustainable. None of the changes in production or use have been very dramatic, and the very large butter stocks and the sizable surplus of nonfat dry milk have provided ample cushion to absorb variations in market conditions.

Butter and cheese prices are expected to post small seasonal rises by this autumn but are not projected to really break out of recent patterns during the rest of the year. Supplies are not expected to shrink quickly enough to generate much basic price recovery given the projected modest growth in demand. However, market tightening might be enough to erode much of the excess stocks of milkfat by yearend.

A sizable surplus of skim solids is projected to persist through yearend, keeping prices of nonfat dry milk close to the support purchase price. The surplus is expected to begin shrinking during the second half of 2003. But, prices of separated skim solids, and probably whey products, will stay depressed until use of these products strengthens significantly, probably because of stronger demand from food processors. Commercial exports, if they develop, could help powder prices somewhat but are not likely to make a significant difference.

Lack of significant recovery in wholesale prices will leave farm milk prices low during the rest of 2003, even though second-half prices are expected

to average near a year earlier. For the year, farm milk prices are projected to average \$0.50 to \$1 per cwt lower than 2002 and about \$3.25 to \$3.75 lower than the 2001 record. Prices of milk for cheese and for butter-powder are expected to be close during the rest of the year, continuing the pattern from the first half.

The payment rate under the Milk Income Loss Contracts (MILC) has remained in a fairly narrow range of about \$1.40 to \$1.80 per cwt since the summer of 2002. This rate is expected to stay in this general range during the rest of 2003 and most of 2004.

Retail dairy prices declined fairly steadily between the autumn of 2001 and early spring. Thus far in 2003, retail dairy prices have run almost 2 percent below a year earlier. Early 2003 farm milk prices were down considerably from a year earlier, and this decline was only partially offset by a modest expansion in the farm-retail price spread. The declines in retail dairy prices are expected to end soon, but any increases during the rest of 2003 are likely to be small. For the year, retail dairy prices are projected to decline fractionally, following 2002's fractional increase.

Broiler Production Falls by 1.1 Percent In April

U.S. broiler production totaled 2.72 billion pounds in April, 1.1 percent lower than the previous year. The production decline in April was the result of 3-percent fewer birds slaughtered offset partially by a 1.6-percent increase in the average liveweight. This pattern is expected to continue for at least the next 2 months, with smaller numbers of birds going to slaughter compared with the previous year, but with higher liveweights.

Broiler production has fallen in 4 of the last 5 months (after an adjustment in production, March was unchanged compared with the previous year). Weekly egg sets and chicks placed are continuing to be lower than for the same week a year earlier. Broiler production in the first quarter is now estimated at 7.77 billion pounds, down 0.6 percent from a year earlier. Production for the second quarter is estimated to increase to 8.15 billion pounds, but this is still 1.0 percent below the previous year. Production is expected to be down somewhat in the third quarter, but increase slightly in the fourth quarter of 2003 in reaction to strengthening prices.

With first-quarter production lower, exports about the same, and stocks down, wholesale prices for a number of broiler products have begun to strengthen. Over the first 5 months of 2003, prices for boneless/skinless breast meat have averaged \$1.46 per pound, up 14 percent from the same

period in 2002. Prices for whole birds have also increased, with prices averaging 7 percent higher than the previous year. Leg-quarter prices, which more greatly reflect strength in the export markets, have lagged. Over the first 5 months of 2003 prices have averaged just over 21-cents-a-pound, about 5-percent lower than the previous year. However, prices are beginning to increase. In May, leg-quarter prices at 23.9 cents-a-pound were up 17 percent from May 2002. With broiler production forecast to be below year-earlier levels through the third quarter and smaller supplies of beef and pork available, broiler prices are expected to continue to gradually strengthen.

Broiler exports in the first quarter of 2003 totaled 1.2 billion pounds, almost exactly equal to the previous year. Exports are expected to be higher in the second quarter of 2003 than the previous year. However, that is primarily a function of the drop in exports in the second quarter of 2002 when Russia initially placed a ban on U.S. imports, rather than the result of any growing strength in exports. In the first quarter of 2003, exports to the four largest markets (Russia, Hong Kong, Mexico, and Korea) were all considerably lower. These declines were offset by strong growth in shipments to a wide number of other countries. While shipments to Hong Kong were lower, direct shipments to China in the first quarter of 2003 were up over 400 percent. Another large growth area has been exports to Cuba. In the first quarter broiler exports to Cuba were over 38 million pound's, compared with just over 1 million pounds in the same period in 2002.

Higher Prices To Dominate the Egg Market In 2003

Total U.S. egg production in 2003, table and hatching, is expected to total about 7.24 billion dozen, up fractionally from 2002. Egg production is expected to increase nearly 1 percent in 2004, due to expected improved returns. Table eggs are expected to account for 85 percent of total production in 2003, and are expected to stay at the same percentage in 2004. Hatching egg production in 2003 is expected to be nearly unchanged, but is expected to rise by nearly 2 percent in 2004. The rise in 2004 is due to higher expected broiler production. Table egg production is expected to rise by less than 1 percent.

Wholesale table egg prices are expected to average 75-78 cents a dozen in 2003, compared with 67 cents in 2002. The wholesale egg market is a relatively thin market, where small changes in supply can have a large price impact. Wholesale egg prices in 2004 are expected to average 74-80 cents a dozen as per capita supplies tighten. Retail egg prices in 2003 are expected to rise by about 9 percent. Retail egg prices declined after reaching a peak in 1996, but began to move upward in 2001. The price spread between wholesale and retail egg prices is expected to narrow in 2004.

Per capita egg consumption in 2003 is expected to decrease slightly to 252 eggs, about two eggs less per person than the previous year. Since 1996, U.S. egg consumption has increased by 7 percent or about 17 eggs per person. This is due in large part to increasing demand for breaking eggs by the commercial baking, confectionery, and fast food industries. This trend was clearly indicated by the amount of eggs going to the breaking market, which increased from 28 percent of total table egg production in 1996 to an expected 31 percent in 2003, and 32 percent forecast in 2004.

U.S. egg exports in 2003 are expected to reach 169 million dozen, down 2-3 percent from the previous year and representing 2.3 percent of total U.S. egg production. Shell eggs (for human consumption and hatching) accounted for nearly 55 percent of total U.S. exports. The remaining 45 percent were exported as processed albumen and yolk in dried or liquid forms. Five countries: Canada, Belgium, Hong Kong, Japan, and Mexico accounted for 77 percent of all U.S. egg exports in 2002. The largest export market is Canada, receiving over one-quarter of all U.S. egg exports. U.S. egg exports to Canada were twice as large as to Hong Kong, Belgium, Japan, or Mexico. Total U.S. egg exports are expected to increase about 2-3 percent in 2004.

Keithly Jones and Carlos Arnade

The interagency committee on estimating commodities (ICEC) using analysis and expert judgement forecasts cattle and beef market activity. The U.S. Department of Agriculture (USDA) analysts use a variety of methods to forecast and project market activity for cattle. However, the importance of biological factors and weather conditions make fitting cattle industry relationships comfortably into a stylized modeling framework difficult. In general, there are two approaches to modeling the cattle industry. The first is to have biological factors determine the structure of the model and then let economic decisions influence key variables in the model. The Economic Research Service (ERS) baseline, which focuses on 10-year projections, tends to follow this approach. The second approach is to formulate an economic model, constrained by biological factors. Current market conditions, weather, and other disturbances influence the short-term forecast. Other specialized models that include the livestock sector are used to analyze policy changes, world markets, and supply responses. These include the Global Trade Analysis Project (GTAP), Food and Agricultural Policy Simulator (FAPSIM) and World Trade Organization (WTO) models.

The GTAP model has a global trade/applied general equilibrium emphasis and is used to simulate the effects of multiple regional trade agreements throughout the world. The GTAP model uses a 10-region/country aggregation and a 6-sector aggregation. GTAP incorporates no special treatment of the biological nature of cattle production, but includes a live animal sector with input demands for primary (land, labor, and capital), and intermediate (purchased feed and non-agricultural inputs) production factors. In the GTAP model, a separate processing sector is defined, which purchases animals as an intermediate input for meat production.

The FAPSIM model is an annual dynamic econometric-based model of U.S. agriculture that reflects economic theory and institutional knowledge of the sector. The model contains over 700 equations that describe supply, use, prices, and policies such as commodity loan rates and marketing loans. The FAPSIM model contains

submodels for cattle, hogs, broilers, turkeys, eggs, and dairy along with other feed grains and field crops. FAPSIM was originally constructed to be used as a tool for U.S. agricultural policy analysis. The model reflects many programs that influence the market for commodities, for example, the Federal milk marketing orders and dairy price supports and various crop programs. FAPSIM has also been used to project future agricultural prices and quantities. This information has served as input into the department-wide process that establishes the official USDA baseline.

The ERS/Penn State WTO model is a partial equilibrium global agricultural trade model designed to analyze alternative agricultural trade policy options. There are 21 commodities covered in the model: four livestock products (beef and veal, pork, poultry, and raw milk) and five processed dairy products (butter, cheese, nonfat dry milk, fluid milk, and other dairy products) are the animal products among the commodities. A wide range of trade policies are incorporated in the WTO model and include ad valorem import and export taxes and subsidies, tariff-rate quotas (TRQs), and producer and consumer subsidies.

The USDA agricultural baseline is a 10-year, year-by-year projection of domestic and international market balance sheets for the major crop and livestock commodities. Significant resources and the bulk of the analytical work underlying the baseline are provided by ERS. The Interagency Commodity Estimates Committee (ICEC—chaired by WAOB, with members from ERS, AMS, FSA, FAS and other USDA agencies such as NASS and GIPSA as needed) is used to coordinate the review and clearance. Projections cover agricultural commodities, agricultural trade, and aggregate indicators of the sector, such as farm income and food prices. In so doing, the baseline identifies major forces and uncertainties affecting the future of agricultural markets; prospects for global long-term economic growth, consumption, and trade; and future price trends, trade flows, and U.S. exports of major farm commodities. The baseline is also used to develop the President's budget cost estimates, facilitate Mid-Session budget reviews, and analyze alternative agricultural policy scenarios. The baseline livestock model is a component of the larger model.

For specific questions about livestock markets, models separate from the baseline model are used to examine, for instance, influences of concentration on prices or how management practices affect costs of production. These models may hypothesize cause and effect, but really only determine correlations. They are not normally used for forecasting except for scenario-building for policy analysis. Changing structural conditions in the cattle and beef industry have the potential to affect markets. However, market forecasts, such as those for the USDA baseline, usually consider current market structure to be static because future market structure is unknown. Effects of changes in past market structure are implicitly understood to be contained in the estimates of the parameters for other variables.

ERS strives to use the best possible approaches to project livestock prices and farm income. The livestock model currently in use was originally estimated with 1960-88 data, data that may not capture the effects of factors such as declining numbers of farms, concentration of processors, marketing arrangements (production contracts, alliances, joint ventures), and changes in consumer preferences that have influence the market since 1990. The model was re-estimated to determine if this was so. Good housekeeping requires that models be periodically updated and re-estimated.

ERS recently initiated an exercise to review the baseline process, to streamline it, and to provide the public with timely quality information. A review of the livestock model is part of this exercise. Using data through 2001, the commercial beef production portion of the current model has been re-estimated. The next step is to incorporate the new parameters into the next version of the baseline model. Re-estimation of the full livestock model is planned.

The re-estimated parameters for commercial beef production track well with the old model (see figure), providing some indication that no significant change has occurred in the livestock sector since it was estimated in the 1980s, given its current format. Further enhancements of the baseline livestock model are planned including formulating an alternative model that relies less on

biological identities and more on behavioral equations.

The new model consists of several components. Following suggestions from the literature of Eales and Unnevehr (1993), and Holt and Goodwin (1997), the demand component is specified as a system of price-dependent equations. An inverse demand system of meat demands have been estimated and an equation has been developed which uses quantity and expenditure data for each of the major livestock species (cattle, hogs, broilers, and turkey) to convert forecasted consumption shares into the price determined by the demand side of the model.

On the supply side, we have included the ranchers' decision equations, feedlot and slaughter equations, and a markup equation. Ranchers' decisions are dominated by biology and forage conditions, so we estimated a heifer replacement equation, a culling equation, and a calf crop born equation, following a dynamic structure similar to that used by Buhr and Kim (1997). Using specifications by Nerlove and Fornari (1998), the feedlot component consists of equations that describe placements and average slaughter weights. Both the placement and slaughter weight equations include various cattle and feed prices and herd size. Finally, there is a price-dependent slaughter supply equation, which can be viewed as a marginal cost condition. That is, prices are a function of beef production and various feedlot input prices.

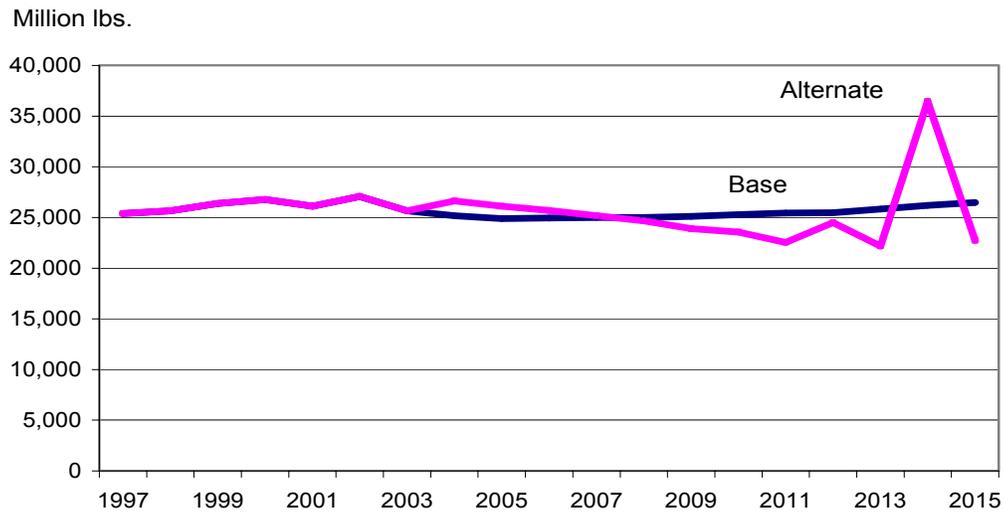
To clear the market, the demand prices are written as a functions of the slaughter price, and two input prices used in the food processing industry, net imports, net stock changes, and trends. When markets clear, the demand prices will equal the supply price. Net imports and other conditions can be added to this market-clearing equation, thus issues raised by the General Accounting Office (GAO), (the lack of a market clearing mechanism in the current baseline model, the limited role of trade in the model, and market structure features) can be addressed by this model format.

Several research projects contribute to our future modeling efforts. One deals with the breeding herd replacement decision and the cattle cycle. Additional research on slaughter weights,

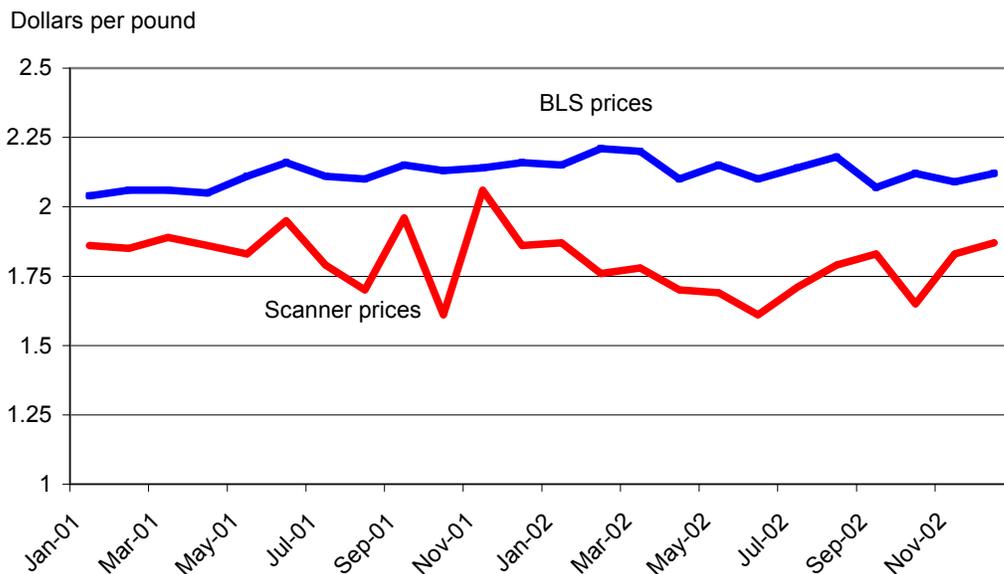
conversion factors, and new animal products will be used to better explain the relationship between livestock numbers and meat supplies. New research may help to illuminate the demand for competitive meat products. Also, new retail price data indicates that retail meat prices may be lower and more variable than shown in the consumer price index (CPI) (see figure). A forthcoming ERS publication focuses on the extent, spread, and impact of contracting on agriculture, particularly

livestock. And, we are seeking development of econometric models that incorporate structural dynamics to forecast prices both for the baseline and for policy analysis models. In addition, to facilitate the general understanding of forces that shape the animal products market, two new briefing rooms soon will be unveiled on the ERS website highlighting livestock production and marketing issues.

Commercial beef production



Scanner prices tend to be lower and more variable than BLS prices (Ground chuck)



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Contacts and Links

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Related Article

The discovery of bovine spongiform encephalopathy (BSE) <http://www.usda.gov/news/releases/2003/05/bg0166.htm> in Canada resulted in the United States placing a ban on imports of ruminant animals and products from that country as of May 20. When the ban will be lifted is uncertain. The United States imports a substantial amount of cattle and beef from Canada.

Data

Retail Price Reporting for Meat

<http://www.ers.usda.gov/Data/Meatscanner/> A new ERS database contains monthly average retail prices for selected cuts of red meat and poultry, based on electronic supermarket scanner data. While not based on a random sample, the raw data underlying the database are from supermarkets across the United States that account for approximately 20 percent of U.S. supermarket sales. [Leland Southard](#), (202) 694-5187.

Web Sites

Cattle, <http://www.ers.usda.gov/briefing/cattle/>

Hogs, <http://www.ers.usda.gov/briefing/hogs/>

Poultry and Eggs, <http://www.ers.usda.gov/briefing/poultry/>

Dairy, <http://www.ers.usda.gov/briefing/dairy/>

WASDE, <http://www.usda.gov/oce/waob/wasde/latest.pdf>

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Red meat and poultry forecasts

	2002					2003					2004	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Production, million lb												
Beef	6,377	6,833	7,097	6,783	27,090	6,287	6,850	6,950	6,200	26,287	6,000	25,650
Pork	4,780	4,797	4,832	5,255	19,664	4,889	4,725	4,710	5,190	19,514	4,775	19,300
Lamb and mutton	58	54	51	56	219	49	50	50	52	201	50	198
Broilers	7,819	8,234	8,251	7,936	32,240	7,770	8,150	8,200	8,100	32,220	7,900	32,725
Turkeys	1,378	1,441	1,412	1,482	5,713	1,379	1,425	1,400	1,475	5,679	1,375	5,775
Total red meat & poultry	20,589	21,543	21,837	21,700	85,669	20,550	21,376	21,485	21,189	84,600	20,280	84,365
Table eggs, mil. doz.	1,506	1,518	1,551	1,573	6,148	1,511	1,520	1,555	1,580	6,166	1,520	6,205
Per capita consumption, retail lb 1/												
Beef	16.2	17.5	17.3	16.6	67.6	16.2	17.1	17.6	14.8	65.7	15.2	63.1
Pork	12.3	12.6	12.7	13.8	51.5	12.6	12.3	12.3	13.4	50.6	12.2	49.6
Lamb and mutton	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.3	1.1	0.3	1.1
Broilers	19.2	20.8	20.6	19.9	80.5	19.6	20.1	20.2	19.6	79.5	19.4	79.4
Turkeys	3.5	3.9	4.4	5.9	17.7	3.6	4.0	4.3	5.8	17.7	3.7	17.8
Total red meat & poultry	52.1	55.6	55.8	57.0	220.5	52.7	54.4	55.1	54.3	216.5	51.3	212.9
Eggs, number	62.4	62.6	64.0	64.6	253.7	61.9	62.2	63.5	64.4	252.0	61.6	250.9
Market prices												
Choice steers, Neb., \$/cwt	70.19	65.58	63.29	69.10	67.04	77.82	79-80	73-77	74-80	76-79	76-82	77-84
Feeder steers, Ok City, \$/cwt	81.24	76.96	78.87	83.08	80.04	78.38	82-83	86-90	88-94	83-87	85-91	86-92
Boning utility cows, S. Falls, \$/cwt	41.56	42.28	37.69	35.69	39.23	40.32	48-49	45-47	43-47	44-46	43-47	45-48
Choice slaughter lambs, San Angelo, \$/cwt	66.62	66.00	74.60	82.02	72.31	91.92	90-91	81-85	79-85	85-89	79-85	79-86
Barrows & gilts, N. base, i.e. \$/cwt	39.43	35.03	33.86	31.34	34.92	35.38	41-42	40-42	36-40	38-40	39-43	41-44
Broilers, 12 City, cents/lb	56.00	56.10	56.40	53.70	55.60	60.30	59-60	59-63	58-62	59-61	57-61	58-63
Turkeys, Eastern, cents/lb	60.00	62.90	66.70	68.20	64.50	61.10	61-62	64-68	69-75	64-66	59-63	64-69
Eggs, New York, cents/doz.	69.10	58.40	65.30	75.40	67.10	77.20	72-73	73-77	77-83	75-78	74-80	74-80
U.S. trade, million lb												
Beef & veal exports	572	601	662	612	2,447	585	630	630	610	2,455	600	2,550
Beef & veal imports	737	934	839	708	3,218	810	870	850	735	3,265	865	3,425
Lamb and mutton imports	48	44	32	38	162	40	43	36	42	161	44	167
Pork exports	382	416	401	415	1,614	413	425	400	430	1,668	405	1,695
Pork imports	235	262	275	299	1,071	289	285	285	300	1,159	300	1,200
Broiler exports	1,204	1,119	1,257	1,219	4,800	1,200	1,200	1,250	1,300	4,950	1,250	5,200
Turkey exports	129	107	100	103	439	103	110	105	120	438	115	465

1/ Per capita meat and egg consumption data are revised, incorporating a new population series from the Commerce Department's Bureau of Economic Analysis based on the 2000 Census.

ECONOMIC INDICATOR FORECASTS ^{1/}

	2002					2003					2004	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
GDP, chain wtd (bil. 1996 dol.)	9,363	9,388	9,465	9,503	9,440	9,556	9,599	9,679	9,759	9,651	9,855	9,994
CPI-U, annual rate (pct.)	1.4	3.4	1.9	2.4	2.2	3.9	2.0	1.8	2.1	2.4	2.2	2.3
Unemployment (pct.)	5.6	5.9	5.7	5.9	5.8	5.8	6.0	6.0	5.9	5.9	5.8	5.7
Interest (pct.)												
3-month Treasury bill	1.7	1.7	1.6	1.3	1.6	1.2	1.2	1.2	1.3	1.2	1.4	2.1
10-year Treasury bond yield	5.1	5.1	4.3	4.0	4.6	3.9	4.0	4.2	4.3	4.1	4.5	4.7

^{1/} Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank, May 2003.

DAIRY FORECASTS

	2002					2003					2004	
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	Annual
Milk cows (thous.)	9,112	9,149	9,153	9,148	9,141	9,154	9,130	9,090	9,060	9,110	9,010	8,950
Milk per cow (pounds)	4,653	4,811	4,566	4,543	18,573	4,690	4,850	4,610	4,640	18,790	4,860	19,305
Milk production (bil. pounds)	42.4	44.0	41.8	41.6	169.8	42.9	44.3	41.9	42.0	171.2	43.8	172.8
Commercial use (bil. pounds)												
milkfat basis	40.7	42.2	43.8	43.9	170.5	41.2	43.4	44.1	44.9	173.6	42.7	177.7
skim solids basis	39.3	40.6	42.3	41.2	163.4	40.2	41.5	42.8	42.2	166.7	41.5	171.8
Net removals (bil. pounds)												
milkfat basis	0.1	0.1	0.1	0.1	0.3	0.4	0.6	0.5	0.1	1.6	0.4	1.2
skim solids basis	2.7	3.5	2.1	1.5	9.8	3.1	2.9	1.3	1.2	8.5	1.7	5.1
Prices (dol./cwt)												
All milk ^{1/}	13.10	12.03	11.33	11.97	12.11	11.37	10.90	10.90	11.70	11.20	11.15	11.15
							-11.10	-11.40	-12.50	-11.60	-12.15	-12.15
Class III	11.38	10.59	9.59	10.10	10.42	9.52	9.55	9.80	10.20	9.75	9.50	9.85
							-9.75	-10.30	-11.00	-10.15	-10.50	-10.85
Class IV	11.08	10.73	10.36	10.52	10.81	9.89	9.60	9.75	9.90	9.75	9.40	9.60
							-9.90	-10.35	-10.80	-10.25	-10.50	-10.70

^{1/} Simple averages of monthly prices. May not match reported annual averages.

PRODUCTION INDICATORS

	May '2002	2003		
		Mar.	Apr. 1,000 Head	May / [*]
Cattle:				
On feed - US, 1,000+ Hd.	10,951	10,526	10,703	10,530
Net placements	2,190	1,975	1,812	2,232
Marketings	2,171	1,798	1,985	2,228
Broilers:				
Eggs in incubators (000) /1	652,438	630,187	637,759	646,010
Chicks hatched (000) /2	798,315	778,500	761,145	791,905
Hatching egg layers /1	58,384	57,335	57,275	57,630
Pullets placed (000)	7,597	6,329	6,720	7,612
Hvy-type hen slaughter /2	6,164	5,593	5,621	6,075
Turkeys:				
Eggs in incubators (000) /1	32,504	31,271	31,951	32,053
Poult placed (000)	25,551	24,902	24,938	24,933
Eggs:				
Table egg prod. (mil. doz.) /2	513.4	521.3	503.8	512.3
Table egg layers, (000) /1	275,036	277,689	277,332	273,885
Table eggs/100 layers /1	71.6	72.1	73.2	72.9
Chicks hatched (000) /2	38,944	36,726	37,531	38,206
Lt.-type hen slaughter /2	8,341	6,963	8,334	7,510

ESTIMATED RETURNS

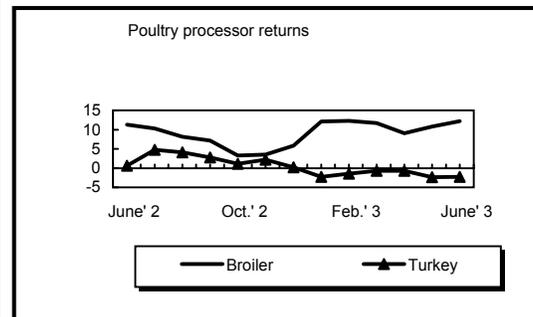
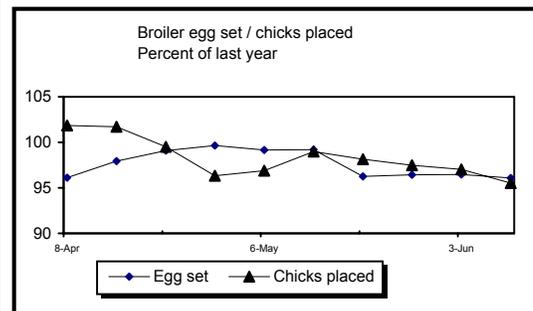
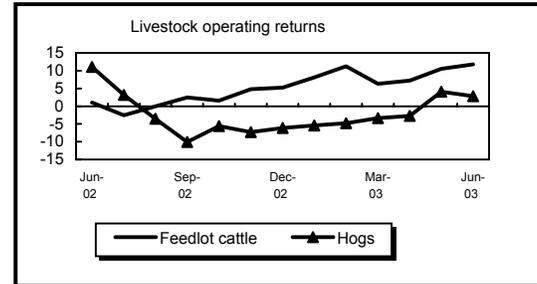
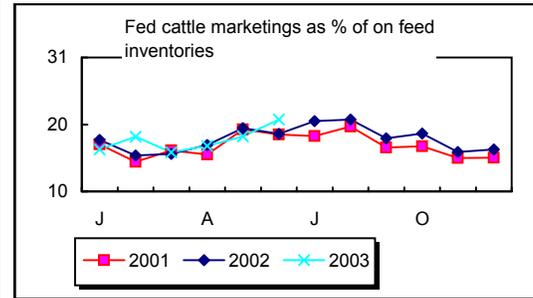
	June '2002	2003		
		Apr.	May Cents/lb	June / [*]
Great Plains cattle feedlot				
Breakeven price /3	67.84	71.75	68.40	65.23
Selling price	63.85	78.98	78.90	77.00
Net margin	-3.99	7.23	10.50	11.77
N. Central hog farrow to finish				
Breakeven price /3	37.30	39.15	39.52	40.21
Selling price	37.36	36.42	43.62	48.00
Net margin	0.06	-2.73	4.10	7.79
Broiler				
Wholesale cost	46.92	48.72	48.67	49.06
Wholesale price	58.44	57.78	59.44	61.25
Net margin	11.52	9.06	10.77	12.19
Turkey				
Wholesale cost	58.43	60.63	61.29	61.21
Wholesale price	62.43	59.90	58.92	58.90
Net margin	4.00	-0.73	-2.37	-2.31
Egg				
Wholesale cost	63.64	66.24	66.82	67.73
Wholesale price	68.79	74.70	69.25	76.50
Net margin	5.15	8.46	2.43	8.77

/1 First of month.

/2 Last month estimated.

/3 Does not include capital replacement cost.

/^{*} estimate.



MEAT STATISTICS

	Jan. -	Jan. -	2003					/*
	June 2002	June 2003	Feb.	Mar.	Apr.	May	June	
Commercial production								
	<i>Million pounds</i>							
Beef	13,210	13,170	1,944	2,051	2,153	2,363	2,367	
Veal	92	97	16	17	16	16	15	
Pork	9,577	9,633	1,521	1,619	1,657	1,550	1,537	
Lamb	111	100	15	18	19	15	16	
Total red meat	22,991	23,000	3,496	3,705	3,845	3,944	3,935	
Broilers	16,052	15,792	2,410	2,586	2,722	2,725	2,575	
Other chicken	269	254	39	41	44	43	42	
Turkeys	2,819	2,863	431	468	474	534	476	
Total poultry	19,141	18,909	2,880	3,095	3,239	3,302	3,092	
Total meat & poultry	42,132	41,909	6,376	6,800	7,085	7,246	7,027	

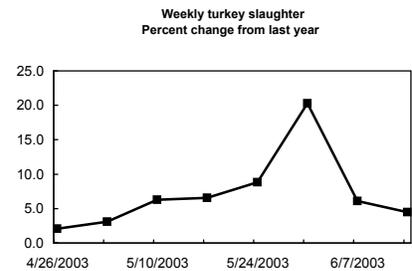
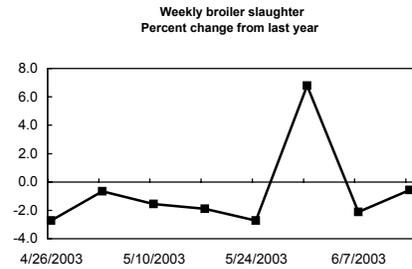
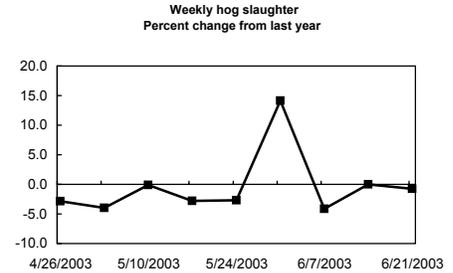
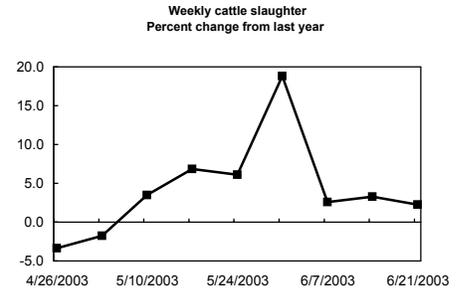
	Jan. -	Jan. -	2003					/*
	June 2002	June 2003	Feb.	Mar.	Apr.	May	June	
Commercial slaughter**								
	<i>Thousand head</i>							
Cattle	17,568	17,802	2,570	2,775	2,966	3,248	3,236	
Steers	8,774	8,845	1,219	1,332	1,522	1,688	1,673	
Heifers	5,732	5,640	849	890	892	1,012	1,010	
Beef cows	1,485	1,561	229	249	257	267	275	
Dairy cows	1,270	1,447	228	255	243	225	223	
Bulls and stags	308	309	45	49	52	56	55	
Calves	475	491	83	85	79	76	73	
Sheep	1,635	1,483	224	264	296	222	238	
Hogs	48,428	48,487	7,680	8,152	8,334	7,809	7,725	
Barrows & gilts	46,746	46,782	7,431	7,863	8,048	7,518	7,424	
Sows	1,542	1,578	230	267	265	270	278	
Broilers	4,262,509	4,173,528	632,117	681,866	710,657	731,620	692,075	
Turkeys	131,584	132,355	20,153	21,647	22,079	24,790	22,025	

	2003						/*
	June 2002	Feb.	Mar.	Apr.	May	June	
F.I. dressed weight							
	<i>Pounds</i>						
Cattle	758	764	745	731	733	737	
Calves	196	195	195	205	210	208	
Sheep	67	68	70	67	69	68	
Hogs	198	199	200	200	200	199	

	2003					
	June 2002	Feb.	Mar.	Apr.	May	June
Beginning cold storage stocks						
	<i>Million pounds</i>					
Beef	401.8	482.7	442.1	403.1	389.6	388.1
Pork	548.0	512.9	519.7	530.5	520.0	500.8
Bellies	62.3	35.4	38.3	43.0	48.5	45.9
Hams	128.2	79.5	89.2	90.9	91.7	105.5
Total chicken	837.0	723.2	675.4	642.0	732.0	696.7
Turkey	578.2	423.1	468.9	539.1	573.5	656.0
Frozen eggs	11.1	15.3	17.1	17.0	15.7	17.9

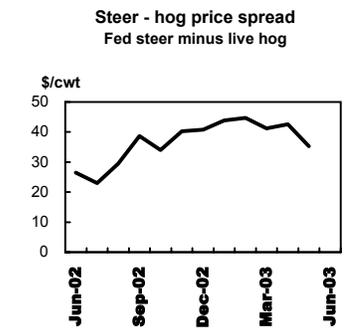
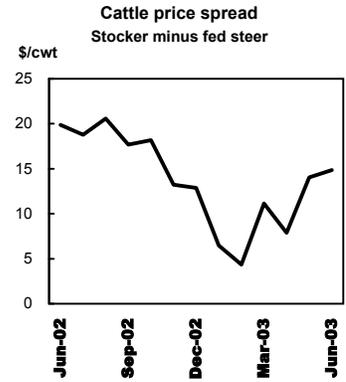
/* Estimates with exception of Cold Storage.

** Slaughter classes are estimated.



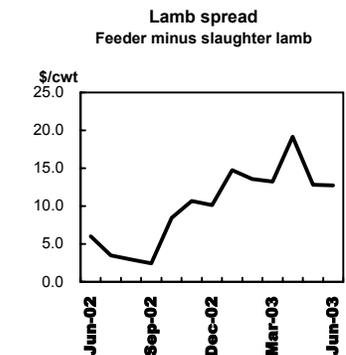
LIVESTOCK PRICES

	2002	2003					/*
	June	Feb.	Mar.	Apr.	May	June	
Cattle prices							
\$/cwt							
Steers, Choice, 11-13 cwt							
Texas Panhandle	63.85	80.39	77.34	78.98	78.90	77.00	
Nebraska Direct	63.64	78.77	77.52	79.24	79.50	76.65	
Cows - Sioux Falls							
Utility breaking	43.38	42.56	43.00	46.80	51.38	50.05	
Utility boning	41.50	40.25	42.13	45.20	48.31	46.15	
Feeder Cattle - Oklahoma City							
Steers: Med. #1							
500-550 lb	90.76	97.83	97.94	97.20	98.12	104.35	
600-650 lb	83.73	84.74	88.49	86.87	92.95	91.85	
750-800 lb	76.81	78.16	76.32	79.15	82.03	86.20	
Heifers: Med. #1							
450-500 lb	83.30	89.77	93.12	90.84	92.51	94.65	
700-750 lb	73.44	75.18	74.06	75.52	78.70	84.65	
Hog prices							
Barrows and gilts							
National base 51-52% lean (live equivalent = carcass x .74)	37.36	35.64	36.11	36.42	43.62	48.00	
Sows							
Iowa-S. Minn. #1-2, 300-400 lb	21.11	23.27	24.07	25.47	29.83	32.00	
Sheep & lamb prices							
San Angelo, TX							
Slaughter lambs, Choice	68.75	90.25	96.25	88.13	95.75	94.75	
Ewes, Good	34.83	48.50	48.69	38.81	37.88	35.50	
Feeder lambs, Choice	74.75	103.81	109.50	107.31	108.56	107.50	



GRAIN AND FEED PRICES

	2002	2003					/*
	June	Feb.	Mar.	Apr.	May	June	
\$/bu							
Corn, #2 Yellow, Cen. Ill	2.04	2.33	2.31	2.36	2.40	2.38	
Wheat, HRW Ord., K.C.	3.50	4.03	3.75	3.73	3.78	3.52	
\$/ton							
SBM, 48% Solvent, Decatur	170.33	176.76	175.40	182.10	195.44	190.75	
Alfalfa Hay, U.S. Avg.	102.00	96.40	96.20	96.20	102.00	N/A	
Grass Hay, U.S. Avg.	73.20	79.40	82.30	86.40	87.30	N/A	



/* Estimates

WHOLESALE PRICES

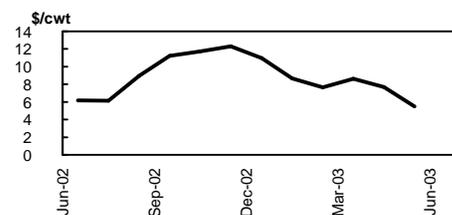
	2002		2003				/*
	June	Feb.	Mar.	Apr.	May	June	
Beef, Central U.S.							
Boxed beef cutout	\$/cwt						
Choice 1-3 550-700 lb	114.06	128.77	126.35	133.03	141.44	141.25	
Choice 1-3 700-850 lb	114.53	127.69	126.02	133.38	141.64	141.75	
Select 1-3 700-850 lb	107.22	121.41	119.78	121.01	123.55	128.00	
Canner-Cutter Cows	N/A	N/A	N/A	N/A	N/A	N/A	
Bnls. beef, 90% fresh	113.25	110.89	110.82	102.77	111.02	106.60	
Importd bnls. beef 90% frz.	105.19	98.43	97.82	93.72	90.43	89.80	
Hide & offal value	7.69	8.01	8.10	8.12	7.79	7.80	
Veal carcass, 220-280 lb	N/A	N/A	N/A	N/A	N/A	N/A	
Pork, Central U.S.							
Pork cutout composite	54.40	53.50	55.08	54.57	61.77	68.50	
Loins, 14-19 lb BI 1/4" trim	104.80	95.75	92.43	96.90	108.93	128.00	
Bellies, 12-14 lb skin on trmd.	65.90	79.54	85.80	84.94	96.58	96.50	
Hams, 20-23 lb BI trmd. TS1	34.36	40.70	44.15	37.49	41.38	44.00	
Trimnings, 72% fresh	35.68	32.11	32.03	36.96	47.23	47.00	
Lamb, East Coast							
55 lb Down, Choice	N/A	N/A	N/A	N/A	N/A	N/A	
55-65 lb, Choice	152.98	174.05	192.04	193.51	198.58	206.00	
cents/lb							
Broilers							
12 City Avg.	58.44	60.49	60.02	57.78	59.44	61.25	
Georgia dock	62.75	61.91	62.61	62.38	63.31	64.40	
<i>Northeast</i>							
Breast, boneless	146.64	139.98	148.20	148.60	162.71	164.25	
Breast, Ribs on	85.88	88.80	86.11	84.20	94.68	92.75	
Legs, whole	36.67	30.54	33.04	30.35	33.36	35.10	
Leg quarters	21.28	21.09	20.96	20.82	23.88	25.15	
Turkeys							
<i>Eastern region</i>							
Toms, 16-24 lb	59.55	58.63	58.45	58.89	58.12	58.90	
Hens, 8-16 lb	65.68	61.13	61.24	61.43	60.36	59.50	
Breast, 4-8 lb	N/A	94.25	92.02	90.00	88.14	86.40	
Drumsticks	25.90	18.31	22.84	20.30	19.40	21.25	
Wings, full cut	23.04	16.09	16.62	14.81	12.74	16.10	
Eggs, grd A, lg, doz							
12 City Metro	68.79	65.92	70.81	70.22	58.47	67.75	
New York	66.05	74.05	80.00	77.09	67.67	76.50	

/* Estimates.

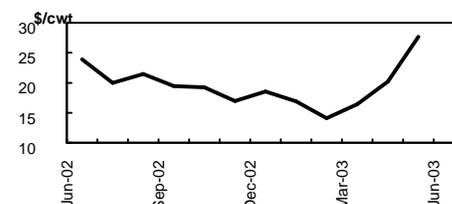
Source: Agricultural Marketing Service.

Livestock, Dairy and Poultry Situation and Outlook

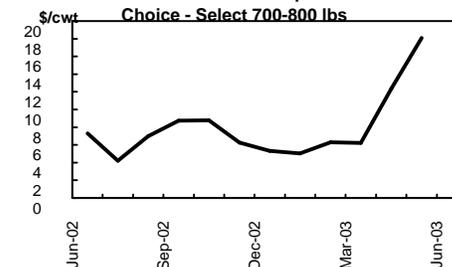
Hog to cutout price spread
Pork + Offal - Live hog



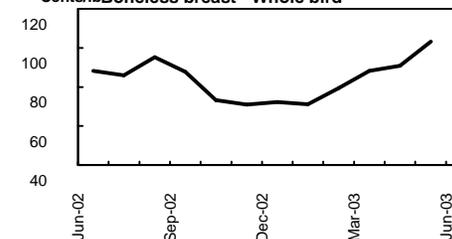
Steer to cutout price spread
Beef + Offal - Fed Steer



Boxed beef cutout spread
Choice - Select 700-800 lbs

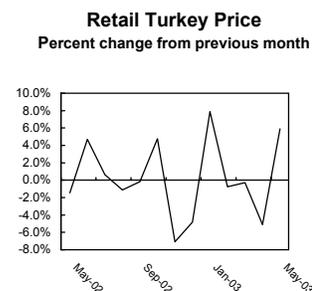
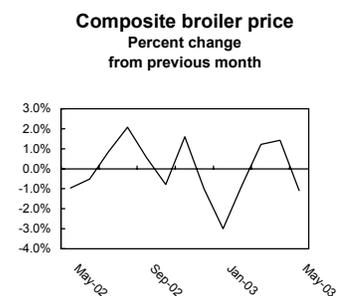
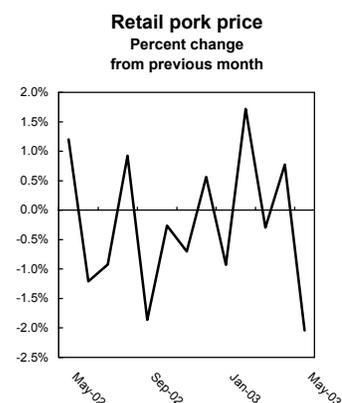
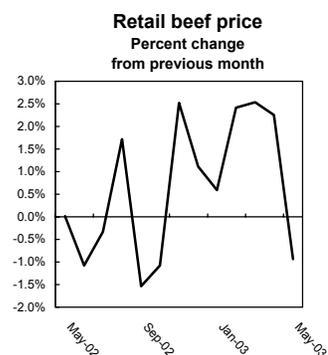


Broiler price spread
Cents/lb Boneless breast - Whole bird



RETAIL PRICES & SPREADS

	Dec-2002	Jan-2003	Feb-2003	Mar-2003	Apr-2003	May-2003
Retail prices						
	<i>Cents/lb</i>					
Beef - Choice	337.8	339.7	348.0	356.8	364.8	361.4
Beef - All fresh	307.4	308.6	315.7	319.5	318.5	317.1
Ground beef	169.3	172.2	177.8	185.8	185.5	185.6
Round roast	319.8	336.2	325.9	327.3	340.2	337.1
T-bone steak	NA	NA	NA	NA	NA	NA
Pork	260.6	258.2	262.6	261.8	263.8	258.5
Bacon	324.2	319.5	328.1	321.6	328.7	308.6
Chops	332.3	322.8	330.2	328.7	339.3	304.2
Sausage	0.0	0.0	0.0	NA	NA	NA
Broilers - Composite	164.2	159.3	158.0	159.9	162.2	160.4
Whole, fresh	104.8	100.4	103.1	104.9	105.3	103.1
Breast - bone in	232.7	226.0	223.6	224.7	229.3	226.8
Leg - bone in	127.5	123.8	122.3	124.9	125.9	124.8
Turkey; whole frozen	98.8	106.6	105.8	105.5	100.1	106.0
Eggs, Gr A, Lg, Doz	117.6	117.5	118.9	120.9	113.1	100.9
Price indexes						
	<i>1982-84=100</i>					
CPI - All	180.9	181.7	183.1	184.2	183.8	183.5
All food	177.3	177.5	178.3	178.6	178.4	178.8
All meat	160.3	159.5	162.3	163.6	164.1	164.0
Beef & veal	161.1	161.3	166.6	168.6	169.1	168.3
Pork	159.2	159.8	161.8	160.6	159.5	161.4
Poultry	166.6	165.4	167.2	167.6	168.2	165.9
Price Spreads						
	<i>Cents / retail lb</i>					
Beef						
Farm to wholesale	34.5	32.1	27.9	30.7	36.3	47.5
Wholesale to retail	146.7	139.4	147.1	159.7	157.6	141.5
Farmers share (%)	46	50	50	47	47	48
Pork						
Farm to wholesale	41.8	41.1	38.3	38.3	37.4	31.9
Wholesale to retail	161.6	156.2	161.2	159.7	162.0	149.2
Farmers share (%)	22	24	24	24	24	30
Poultry and eggs						
Wholesale to retail						
Broilers	113.5	103.7	97.3	99.3	102.6	96.4
Retail to consumer						
Turkey	24.6	38.4	37.6	36.8	31.2	38.1
Eggs Cents/doz	38.5	39.0	45.7	41.9	39.4	32.7



Sources: Economic Research Service, USDA and Bureau of Labor Statistics, U.S. Department of Labor.

Cumulative U.S. livestock & meat trade

	2001	2002	Jan. - Apr-2002	Jan. - Apr-2003		2001	2002	Jan. - Apr-2002	Jan. - Apr-2003	
Beef & veal imports					Pork imports					
	<i>Carcass wt., 1,000 lb</i>					<i>Carcass wt., 1,000 lb</i>				
Australia	1,151,858	1,136,804	387,414	355,415	Canada	766,043	880,205	263,397	313,179	
New Zealand	637,372	604,046	198,499	256,963	Denmark	120,106	123,013	41,734	53,358	
Canada	987,073	1,090,909	338,541	362,336	Poland	23,976	24,420	7,025	7,139	
Brazil	163,556	200,785	58,676	59,301	Netherlands	8,433	6,730	2,125	2,105	
Argentina	99,708	85,349	23,624	22,246	Hungary	6,814	4,806	1,077	1,935	
Central America	70,103	68,208	25,549	30,798	Other	25,372	31,809	8,968	10,762	
Uruguay	41,109	14,095	4,208	6,019	Total	950,745	1,070,983	324,327	388,478	
Mexico	12,166	16,707	6,055	4,700						
Other	411	756	484	168						
Total	3,163,356	3,217,658	1,043,050	1,097,946						
Beef & veal exports					Pork exports					
Japan	1,004,062	770,919	237,657	294,870	Japan	742,222	776,168	259,385	285,810	
Canada	233,291	240,543	76,990	85,072	Canada	186,234	189,601	67,427	55,862	
Mexico	531,972	629,041	183,723	162,918	Mexico	318,480	313,832	108,275	87,042	
South Korea	345,518	597,259	192,176	175,128	Russia	82,327	41,397	11,326	7,118	
Caribbean	22,337	22,980	7,303	7,079	South Korea	38,685	70,836	15,611	33,572	
Russia	7,400	17,388	4,784	4,020	Hong Kong	27,612	28,467	7,296	11,016	
Other	124,703	169,190	52,456	52,049	Caribbean	23,503	20,343	4,999	4,356	
Total	2,269,283	2,447,320	755,088	781,136	Other	140,397	173,426	35,649	63,965	
					Total	1,559,459	1,614,069	509,967	548,742	
Cattle imports					Hog imports					
	<i>Head</i>					<i>Head</i>				
Mexico	1,130,168	816,460	420,649	378,970	Canada	5,337,688	5,740,673	1,931,877	2,031,514	
Canada	1,306,185	1,686,508	527,242	456,098	Under 110 lb	3,163,962	3,758,482	1,210,051	1,473,107	
Over 700 lb	1,143,181	1,259,534	425,711	398,479	Total	5,337,688	5,741,275	1,931,877	2,031,514	
440-700 lb	45,679	221,782	54,456	10,145						
Total	2,436,715	2,502,973	947,896	835,068	Hog exports					
					Total	64,049	206,196	63,204	36,953	
Cattle exports					Broiler exports					
Mexico	143,769	104,573	41,263	11,807		<i>Ready to cook, 1,000 lb</i>				
Canada	297,622	134,215	50,994	36,479	Japan	234,974	120,682	30,625	28,106	
Total	448,443	242,943	92,805	50,172	Mexico	380,727	324,523	142,861	99,285	
					Hong Kong	744,961	607,500	236,927	140,142	
Lamb imports						Singapore	49,165	37,475	12,996	10,206
	<i>Carcass wt., 1,000 lb</i>					Canada	177,057	191,310	51,802	57,641
Australia	67,785	68,098	26,323	25,820	Russia	2,303,921	1,521,102	537,395	489,685	
New Zealand	39,576	48,508	15,895	20,998	Latvia	97,703	78,437	12,098	18,849	
Total	108,215	117,014	42,314	46,972	Other	1,566,777	1,918,510	454,350	665,505	
					Total	5,555,285	4,799,540	1,479,054	1,509,418	
Mutton imports					Turkey exports					
Total	37,511	43,442	22,590	12,028	Mexico	219,941	186,286	83,106	59,731	
					Canada	11,311	14,445	3,206	4,970	
Lamb and mutton exports						South Korea	16,852	12,990	4,234	3,797
Total	6,511	7,101	1,880	2,591	Russia	80,719	29,026	17,637	5,226	
					Hong Kong	36,034	70,199	24,251	15,255	
					Other	122,142	125,756	31,344	46,717	
					Total	486,999	438,702	163,778	135,696	
Customs Service (beef/veal)					Shell egg exports					
	<i>Product wt., metric tons</i>					<i>1,000 doz.</i>				
YTD imports under WTO:	4/29/2002	4/28/2003	% of quota		Canada	32,279	30,506	6,893	5,714	
Canada	119,906	122,293	NA		Japan	3,026	2,256	184	104	
Mexico	1,292	1,013	NA		Other	55,750	55,937	18,828	24,675	
TRQ countries	164,044	171,566	25		Total	91,055	88,699	25,905	30,493	
Australia	102,137	95,668	25							
New Zealand	53,427	65,925	31							
Argentina	-	-	-							
Uruguay	-	-	-							
Japan	-	-	-							
Other	8,480	9,974	15							
Total	285,242	294,872	NA							

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

Monthly U.S. livestock and meat trade **

	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
Beef & veal imports	<i>Carcass wt., 1,000 lb</i>												
Australia	122,773	122,777	97,827	128,045	92,338	82,637	69,385	96,785	59,596	151,202	40,579	76,061	87,574
New Zealand	69,641	73,965	82,766	70,219	39,799	26,943	24,537	26,136	61,182	42,350	60,516	72,565	81,533
Canada	85,314	92,671	108,664	96,857	100,784	89,745	95,414	87,608	80,625	91,888	85,015	94,892	90,542
Brazil	17,060	13,041	13,521	23,312	19,340	21,233	12,581	22,494	16,587	14,443	13,019	15,816	16,022
Argentina	4,059	4,340	4,613	7,757	8,663	8,110	10,107	7,443	10,694	8,737	4,601	5,178	3,730
Central America	4,862	6,030	2,301	2,043	5,933	6,547	6,038	6,381	7,386	5,835	10,422	8,591	5,950
Uruguay	645	808	1,274	2,031	1,434	1,272	611	857	1,600	2,249	924	1,500	1,347
Mexico	1,717	1,844	1,649	1,351	1,086	1,143	1,131	1,197	1,251	1,318	957	1,233	1,191
Other	73	10	4	4	7	5	228	8	6	3	67	86	13
Total	306,144	315,485	312,619	331,619	269,384	237,634	220,030	248,909	238,927	318,024	216,100	275,921	287,901
Beef & veal exports													
Japan	56,235	68,128	62,766	72,093	76,571	63,411	42,168	80,441	67,684	71,018	73,320	75,540	74,992
Canada	16,073	22,489	18,272	18,490	17,721	18,614	22,533	22,307	23,127	21,495	20,112	22,508	20,956
Mexico	51,641	59,019	55,152	61,058	52,934	61,149	56,393	39,496	60,117	45,621	36,125	37,337	43,835
Korea, Rep.	40,342	48,543	49,983	53,354	55,020	55,756	29,276	59,929	53,222	42,420	46,072	44,316	42,320
Caribbean	2,091	1,777	1,522	1,947	2,372	1,877	2,040	1,463	2,679	1,662	1,590	1,792	2,036
Russia	3,405	2,488	2,071	1,778	635	3,590	626	525	893	1,101	469	1,198	1,253
Other	13,203	12,040	14,214	13,605	12,509	17,296	9,636	19,416	18,018	12,919	13,929	14,123	11,078
Total	182,991	214,483	203,981	222,325	217,763	221,693	162,671	223,577	225,741	196,235	191,618	196,813	196,470
Cattle imports	<i>Head</i>												
Mexico	27,618	20,163	7,405	8,114	6,353	8,203	57,455	146,806	141,312	97,772	92,277	98,285	90,636
Canada	134,719	105,738	102,429	113,327	153,735	184,396	196,656	183,783	119,202	118,113	105,678	118,178	114,129
Over 700 lb	113,526	85,140	85,342	97,921	121,580	120,620	111,893	120,059	91,268	99,543	92,345	105,351	101,240
440-700 lb	6,688	4,215	2,709	2,796	8,961	32,754	57,140	45,459	13,292	4,597	2,319	966	2,263
Total	162,337	125,901	109,834	121,441	160,088	192,599	254,111	330,589	260,514	215,885	197,955	216,463	204,765
Cattle exports													
Mexico	9,818	9,710	6,538	10,354	8,199	6,728	7,889	7,120	6,772	5,728	2,124	1,913	2,042
Canada	9,281	16,327	9,975	9,716	8,242	6,304	7,867	11,368	13,422	8,534	8,417	10,712	8,816
Total	19,404	26,119	16,617	20,209	16,585	13,136	16,135	18,672	22,665	14,325	10,888	13,033	11,926
Lamb imports	<i>Carcass wt., 1,000 lb</i>												
Australia	5,914	5,681	5,959	5,768	5,536	3,941	3,948	4,996	5,946	5,697	3,906	7,203	9,014
New Zealand	4,315	4,827	4,443	4,298	3,980	3,082	3,240	4,433	4,310	3,748	3,821	6,690	6,738
Total	10,252	10,568	10,440	10,110	9,534	7,065	7,225	9,441	10,317	9,445	7,727	14,003	15,796
Mutton imports													
Total	6,192	4,142	2,143	1,213	1,713	2,034	2,575	3,010	4,021	3,532	1,897	3,088	3,512
Lamb and mutton exports													
Total	572	506	911	310	774	543	613	565	998	674	613	695	609

Monthly U.S. livestock and meat trade, continued

	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03
Pork imports	Carcass wt., 1,000 lb												
Canada	70,019	68,812	70,598	78,051	79,245	74,185	83,764	82,838	79,316	76,896	76,637	81,018	78,629
Denmark	13,924	12,284	9,622	10,517	8,272	7,202	8,472	11,493	13,416	9,226	13,758	15,749	14,626
Poland	2,226	1,338	1,774	2,236	1,326	2,889	2,673	2,224	2,935	2,012	2,074	1,460	1,594
Netherlands	354	698	644	668	268	803	488	436	599	415	715	403	572
Hungary	191	302	159	863	464	272	471	468	729	533	464	467	470
Other	2,540	3,270	2,769	3,026	2,627	2,388	3,193	2,707	2,861	2,685	2,098	2,626	3,353
Total	89,253	86,704	85,567	95,361	92,201	87,738	99,062	100,167	99,855	91,766	95,746	101,722	99,244
Pork exports													
Japan	66,542	78,288	76,324	68,575	58,418	58,486	45,910	64,570	66,213	67,422	67,615	74,975	75,798
Canada	15,576	18,296	15,128	14,237	13,884	15,676	13,733	16,480	14,740	12,882	13,545	16,042	13,393
Mexico	27,300	23,542	25,210	28,561	27,863	19,759	26,280	25,392	28,951	24,395	20,907	21,961	19,779
Russia	2,623	4,725	4,721	5,419	1,815	2,112	4,354	4,348	2,576	2,043	2,367	1,495	1,213
Korea, Rep.	4,442	6,379	3,862	5,416	7,081	6,630	7,003	11,380	7,475	8,793	7,693	9,870	7,217
Hong Kong	878	2,131	3,064	1,467	1,247	2,371	2,350	4,350	4,193	1,910	3,140	3,054	2,912
Caribbean	1,052	1,402	1,482	1,087	3,985	1,733	2,204	1,709	1,743	1,425	1,012	1,003	915
Other	9,889	11,133	11,733	16,103	22,204	17,257	19,249	21,280	18,818	15,409	17,038	17,151	14,368
Total	128,303	145,897	141,522	140,866	136,497	124,022	121,082	149,508	144,708	134,279	133,318	145,550	135,595
Hog imports	Head												
Canada	480,017	528,892	436,534	456,561	436,777	426,769	557,096	471,523	494,644	545,267	449,352	507,874	529,021
Under 110 lb	307,923	353,273	283,639	301,093	294,458	269,923	392,866	322,166	331,013	377,133	328,845	370,013	397,116
Total	480,017	528,892	436,534	456,561	436,777	426,769	557,096	472,125	494,644	545,267	449,352	507,874	529,021
Hog exports													
Total	21,392	15,339	19,241	16,509	20,285	19,654	12,040	16,549	23,375	15,663	11,313	6,682	3,295
Broiler exports	***Has been revised to exclude paws												
	Ready to cook, 1,000 lb												
Japan	8,958	7,527	10,616	13,607	12,842	9,625	11,216	15,811	8,814	8,219	6,174	5,861	7,851
Mexico	34,395	26,903	20,404	19,888	18,923	23,508	24,844	24,613	22,579	24,329	21,939	27,736	25,281
Hong Kong	70,552	75,442	39,518	46,658	58,351	49,213	30,044	37,706	33,642	44,266	44,714	33,061	18,101
Singapore	2,957	1,908	1,791	1,188	4,513	2,597	3,988	4,172	4,322	2,975	2,569	3,384	1,278
Canada	13,869	15,182	17,289	18,465	19,593	20,151	17,889	17,805	13,134	15,004	13,240	14,518	14,879
Russia	14,399	59,810	168,493	140,948	215,864	27,754	196,192	118,290	56,356	112,468	152,948	144,644	79,625
Latvia	1,310	16,199	571	9,145	156	-	17,552	21,933	782	3,880	4,139	1,759	9,072
Other	128,808	224,678	157,645	166,347	205,151	172,641	166,307	197,123	174,267	207,200	149,195	155,565	153,544
Total	275,248	427,648	416,325	416,248	535,393	305,489	468,033	437,454	313,896	418,340	394,919	386,528	309,631
Turkey exports													
Mexico	17,240	17,656	8,317	8,766	9,769	15,181	16,288	13,783	13,421	13,361	15,419	15,727	15,225
Canada	813	1,034	1,187	947	1,241	1,252	1,507	1,576	2,496	895	1,211	1,520	1,344
S. Korea	1,215	1,471	1,694	746	1,556	792	897	910	690	844	1,038	1,234	681
Russia	-	515	3,189	1,024	4,115	609	1,113	517	308	161	1,617	2,555	892
Hong Kong	6,464	8,566	4,850	4,015	6,337	6,682	4,808	4,561	6,129	3,505	5,425	4,346	1,979
Other	9,326	12,812	10,713	10,729	14,013	12,035	11,668	14,274	8,166	10,773	10,900	12,245	12,800
Total	35,058	42,054	29,950	26,226	37,032	36,551	36,280	35,621	31,210	29,538	35,609	37,628	32,921
Shell egg exports	1,000 doz.												
Canada	2,903	2,863	2,838	2,075	2,492	3,286	3,346	2,826	3,886	1,205	1,243	1,548	1,717
Japan	-	2	14	320	373	358	354	567	84	104	-	-	-
Other	4,643	4,675	3,949	5,274	5,248	4,378	3,883	4,732	4,970	5,168	5,480	10,101	3,927
Total	7,546	7,540	6,801	7,669	8,114	8,023	7,583	8,125	8,940	6,477	6,723	11,648	5,644

Sources: Economic Research Service, USDA and Census Bureau, U.S. Department of Commerce.

For further information: Dale Leuck (202) 694-5186 or Mildred Haley (202) 694-5176.

U.S. dairy situation at a glance 1/

	Unit	2000	2001	2002	Mar-02	Apr-02	May-02	Jun-02
Milk production:								
Production (20 States)	Mil. lb.	144,535	142,979	146,590	12,810	12,575	13,039	12,348
Milk cows (20 States)	Thou.	7,799	7,745	7,773	7,745	7,758	7,769	7,782
Milk per cow (20 States)	Lb.	18,534	18,459	18,858	1,654	1,621	1,678	1,587
Production (U.S. est.)	Mil. lb.	167,559	165,497	169,758	14,859	14,585	15,118	14,312
Milk prices:								
All milk	Dol./cwt	12.40	15.05	12.11	12.60	12.50	12.10	11.50
Milk eligible for fluid use	Dol./cwt	12.44	15.09	12.12	12.60	12.60	12.10	11.50
Manufacturing grade milk	Dol./cwt	10.52	13.44	10.92	11.30	11.30	11.10	10.30
Class III (cheese milk) 3.5% fat	Dol./cwt	9.74	13.10	10.42	10.65	10.85	10.82	10.09
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	11.83	13.76	10.81	11.42	11.09	10.57	10.52
Slaughter cow price, South St. Paul	Dol./cwt	40.08	44.78	40.09	44.63	42.56	43.05	41.13
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.1768	1.6630	1.1059	1.2473	1.1712	1.0590	1.0427
American cheese, 40-pound blocks	Dol./lb.	1.1316	1.4387	1.1822	1.2130	1.2448	1.2009	1.1299
American cheese, barrels	Dol./lb.	1.1084	1.4052	1.1438	1.1809	1.2177	1.1688	1.1051
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.0160	1.0083	0.9308	0.9218	0.9061	0.9174	0.9213
Retail prices:								
Consumer Price Index	1982-84=100	172.1	177.1	179.9	178.8	179.8	179.8	179.9
All food	1982-84=100	167.8	173.1	176.2	176.1	176.2	175.8	175.8
Dairy products	1982-84=100	160.7	167.1	168.1	169.4	168.7	169.0	168.0
Fluid milk	Dec 1997=100	107.8	112.7	110.6	111.6	111.6	111.1	110.9
Other dairy products	Dec 1997=100	109.4	112.5	114.5	114.3	113.3	114.2	115.5
Dairy product output:								
Butter	Mil. lb.	1,256.0	1,231.8	1,355.1	127.7	131.6	125.5	95.8
American cheese	Mil. lb.	3,641.6	3,544.2	3,709.0	322.1	320.4	329.9	314.0
Other-than-American cheese	Mil. lb.	4,616.4	4,716.4	4,890.0	420.7	398.8	418.3	394.3
Frozen products 2/	Mil. gal.	1,304.9	1,300.3	1,280.1	111.5	120.0	120.7	123.4
All products (m.e.-fat)	Mil. lb.	104,844	102,648	109,037	9,533	9,652	9,876	9,084
Nonfat dry milk	Mil. lb.	1,451.8	1,413.8	1,569.0	153.1	164.2	163.4	153.0
Beginning stocks:								
Commercial butter	Mil. lb.	24.9	24.0	55.5	128.9	143.8	194.6	224.6
Commercial American cheese	Mil. lb.	458.0	521.1	448.3	490.4	497.6	513.0	535.4
Other cheese	Mil. lb.	163.3	185.2	210.9	229.2	233.4	252.1	252.9
Manufacturers' nonfat dry milk	Mil. lb.	150.9	146.3	124.5	144.6	159.9	164.1	169.7
All commercial (m.e.-fat)	Mil. lb.	6,143	6,839	7,041	9,184	9,606	11,005	11,888
All commercial (m.e.-skim)	Mil. lb.	8,047	8,801	8,085	8,939	9,227	9,632	9,946
All Government (m.e.-fat)	Mil. lb.	44	139	218	245	257	287	304
All Government (m.e.-skim)	Mil. lb.	1,566	6,028	9,070	9,623	10,174	10,895	11,572
Commercial disappearance:								
Butter	Mil. lb.	1,280.4	1,275.4	1,288.1	116.7	83.4	97.5	82.5
American cheese	Mil. lb.	3,595.3	3,681.7	3,730.3	318.7	307.5	313.6	317.8
Other-than-American cheese	Mil. lb.	4,959.7	5,058.9	5,252.3	449.3	414.6	451.1	425.2
Nonfat dry milk	Mil. lb.	771.0	946.4	775.8	52.3	62.3	45.8	59.6
All products:								
m.e.-fat	Mil. lb.	169,133	169,656	170,541	14,744	13,455	14,525	14,184
Milkfat	Mil. lb.	6,224	6,223	6,277	551	495	528	506
Skim solids	Mil. lb.	13,959	14,179	14,140	1,206	1,159	1,200	1,162
USDA net removals:								
Butter	Mil. lb.	8.9	0.0	0.0	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	28.0	3.9	15.8	0.0	0.0	0.0	0.0
Nonfat dry milk	Mil. lb.	692.6	495.9	828.6	85.7	98.2	114.7	86.9
All products (m.e.-fat)	Mil. lb.	841	145	328	19	22	25	19
All products (m.e.-skim)	Mil. lb.	8,613	5,810	9,802	997	1,143	1,335	1,012
Imports:								
All products (m.e.-fat)	Mil. lb.	4,445	5,716	5,103	421	386	412	457
All products (m.e.-skim)	Mil. lb.	4,389	4,686	5,103	397	397	456	460
International market prices:								
Butter	\$/metric ton	1,367	1,391	1,159	1,138	1,088	1,050	1,050
Nonfat dry milk	\$/metric ton	1,896	2,019	1,303	1,200	1,200	1,250	1,200

1/ Some data series different than formerly published due to changes in availability.

2/ Hard ice cream, ice milk, and sherbet.

m.e.-fat (skim) = Milk equivalent, fat (skim solids) basis

NA=Not available

U.S. dairy situation at a glance (continued)

Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03
12,281	12,223	11,648	11,991	11,657	12,290	12,548	11,588	12,969	12,645	12,992
7,781	7,785	7,781	7,789	7,792	7,801	7,807	7,810	7,811	7,798	7,786
1,578	1,570	1,497	1,539	1,496	1,575	1,607	1,484	1,660	1,622	1,669
14,202	14,130	13,459	13,870	13,479	14,206	14,523	13,407	15,001	14,606	15,004
11.10	11.30	11.60	12.10	11.90	11.90	11.70	11.40	11.00	11.00	11.10
11.10	11.30	11.60	12.10	11.90	11.90	11.80	11.40	11.00	11.10	11.10
9.60	9.90	10.40	11.30	10.70	10.70	10.50	10.30	9.80	9.90	10.00
9.33	9.54	9.92	10.72	9.84	9.74	9.78	9.66	9.11	9.41	9.71
10.45	10.41	10.22	10.50	10.58	10.49	10.07	9.81	9.79	9.73	9.74
39.55	39.06	38.59	37.68	36.63	37.16	38.63	40.22	42.31	42.68	46.59
1.0302	0.9752	0.9635	1.0315	1.0425	1.1198	1.0815	1.0405	1.0915	1.0906	1.0919
1.0889	1.1575	1.2041	1.1950	1.0891	1.1311	1.0929	1.0920	1.0817	1.1225	1.1421
1.0680	1.1252	1.1100	1.0970	1.0705	1.1055	1.1507	1.0430	1.0469	1.0902	1.1161
0.9275	0.9323	0.9468	0.9563	0.9578	0.9075	0.8562	0.8347	0.8375	0.8375	0.8375
180.1	180.7	181.0	181.3	181.3	180.9	181.7	183.1	184.2	183.8	183.5
176.0	176.0	176.4	176.5	176.8	177.3	177.5	178.3	178.6	178.4	178.8
167.6	167.2	166.3	166.5	167.1	167.3	166.4	167.2	167.1	165.8	165.4
110.1	109.6	109.1	109.4	109.6	109.9	109.9	109.0	108.5	109.0	108.7
115.8	114.9	114.4	113.1	113.7	114.9	112.9	114.0	114.6	114.9	115.2
94.4	88.9	92.8	102.6	103.9	127.6	141.4	128.4	126.3	123.3	NA
305.4	309.6	287.5	297.8	294.4	317.4	319.5	285.6	318.5	309.6	NA
386.8	404.7	396.4	434.3	431.1	429.7	398.2	367.9	416.9	412.7	NA
124.7	116.6	102.6	102.3	82.7	80.5	96.7	100.9	114.0	122.3	NA
9,064	8,943	8,478	8,804	8,433	9,092	9,422	8,729	9,535	9,553	NA
129.1	117.9	97.2	103.4	99.0	132.5	133.8	130.4	146.3	150.4	NA
241.0	243.3	227.0	207.2	162.8	134.6	157.3	202.3	237.5	247.8	265.5
547.9	572.8	565.0	512.0	500.5	473.6	493.1	511.9	537.9	528.4	528.1
248.9	260.2	236.1	241.0	219.0	223.0	236.8	247.3	230.2	240.5	246.3
177.8	152.4	109.5	84.7	79.4	85.8	103.0	111.6	116.2	136.7	149.5
12,361	12,746	12,150	11,243	9,958	9,113	9,891	11,124	12,013	12,225	12,668
10,154	10,243	9,444	8,660	8,216	8,047	8,578	8,971	9,126	9,365	9,585
319	308	335	333	343	314	268	299	308	355	432
12,402	13,011	14,187	14,259	14,010	13,439	12,212	12,124	12,527	13,029	13,606
95.1	107.9	114.4	149.0	134.6	109.8	98.4	92.9	112.9	105.0	NA
293.8	322.5	345.3	316.7	324.4	296.4	304.0	266.1	325.1	304.4	NA
410.1	459.1	423.9	490.5	467.1	455.6	410.0	411.5	438.8	438.4	NA
73.3	114.7	83.5	89.4	55.6	50.2	48.6	40.2	39.3	50.2	NA
14,199	14,984	14,658	15,467	14,645	13,747	13,594	12,682	14,900	14,262	NA
501	534	532	575	554	522	515	478	559	531	NA
1,156	1,250	1,209	1,254	1,186	1,145	1,181	1,084	1,218	1,183	NA
0.0	0.0	0.0	0.0	0.0	0.0	0.6	2.9	5.0	5.1	6.5
0.7	5.9	1.1	0.4	1.7	4.6	1.9	2.9	10.4	9.0	10.6
84.7	47.8	39.8	20.2	37.3	65.1	78.8	85.6	87.1	86.4	88.6
25	65	19	9	24	57	47	108	224	214	260
992	615	474	239	451	804	936	1,026	1,117	1,096	1,137
504	420	405	417	439	473	442	355	426	423	NA
547	439	440	441	461	442	323	360	447	393	NA
1,090	1,113	1,225	1,275	1,263	1,281	1,280	1,206	1,274	1,275	1,275
1,200	1,150	1,200	1,220	1,350	1,606	1,705	1,688	1,670	1,654	1,694

Dairy products: Per capita consumption, United States, 1975-2002 1/

Year	Fluid milk and cream 2/	Cheese			Evaporated and condensed milk			Frozen dairy products				Dry products			All products milk equivalent, milkfat basis		
		Butter	American	Other	Cottage	Canned, whole	Bulk, whole	Bulk and canned, skim	Ice cream Regular	Reduced fat	Sherbet	Other frozen products 3/	Dry whole milk	Nonfat dry milk		Dry butter-milk	Dry whey 4/
Pounds																	
1975	261	4.7	8.4	6.1	4.7	3.9	1.4	3.6	18.5	7.7	1.5	1.0	0.1	3.3	0.2	2.2	539
1976	260	4.3	9.0	6.7	4.7	3.7	1.3	3.6	17.9	7.3	1.5	0.8	0.2	3.5	0.2	2.4	540
1977	258	4.3	9.3	6.8	4.7	3.2	1.1	3.9	17.5	7.7	1.5	0.7	0.2	3.3	0.3	2.4	540
1978	254	4.4	9.6	7.4	4.7	3.1	1.0	3.5	17.4	7.7	1.4	0.8	0.3	3.1	0.2	2.4	544
1979	251	4.5	9.6	7.6	4.5	3.0	1.1	3.3	17.1	7.3	1.3	0.6	0.3	3.3	0.2	2.7	548
1980	246	4.5	9.6	7.9	4.5	2.8	1.0	3.3	17.5	7.1	1.3	0.3	0.3	3.0	0.2	2.7	543
1981	242	4.2	10.2	8.0	4.3	2.9	1.2	3.2	17.4	7.0	1.3	0.6	0.4	2.1	0.2	2.7	541
1982	236	4.4	11.3	8.6	4.2	2.7	1.3	3.0	17.6	6.6	1.3	0.6	0.4	2.1	0.2	2.9	555
1983	236	4.9	11.6	8.9	4.1	2.7	1.1	3.2	18.1	6.9	1.3	0.6	0.4	2.2	0.2	3.1	573
1984	238	4.9	11.9	9.6	4.1	2.4	1.3	3.7	18.2	7.0	1.3	0.6	0.4	2.5	0.2	3.2	582
1985	241	4.9	12.2	10.4	4.1	2.2	1.4	3.8	18.1	6.9	1.3	1.3	0.4	2.3	0.2	3.5	594
1986	240	4.6	12.1	11.0	4.1	2.2	1.4	4.3	18.4	7.2	1.3	0.9	0.5	2.4	0.2	3.7	592
1987	237	4.7	12.4	11.7	3.9	2.2	1.5	4.2	18.4	7.4	1.3	1.0	0.5	2.5	0.2	3.6	601
1988	237	4.5	11.5	12.2	3.9	2.1	1.4	4.2	17.3	8.0	1.3	1.0	0.6	2.6	0.2	3.5	583
1989	237	4.4	11.0	12.8	3.6	2.0	1.1	4.7	16.1	8.4	1.3	2.8	0.5	2.1	0.2	3.5	564
1990	233	4.4	11.1	13.5	3.4	2.2	1.0	4.8	15.8	7.7	1.3	3.7	0.6	2.9	0.2	3.7	568
1991	232	4.3	11.0	13.9	3.3	2.0	1.1	5.0	16.3	7.4	1.2	4.3	0.4	2.6	0.2	3.6	564
1992	229	4.3	11.3	14.6	3.1	2.1	1.1	5.2	16.2	7.0	1.3	4.3	0.5	2.8	0.2	3.8	566
1993	224	4.6	11.3	14.7	2.9	1.9	1.1	5.1	16.0	6.9	1.3	5.0	0.4	2.4	0.2	3.8	569
1994	223	4.8	11.4	15.1	2.8	1.8	0.8	5.5	16.0	7.5	1.3	4.8	0.4	3.5	0.2	3.8	580
1995	221	4.4	11.7	15.2	2.7	1.5	0.8	4.5	15.5	7.4	1.3	4.8	0.4	3.4	0.2	3.3	576
1996	220	4.3	11.8	15.5	2.6	1.5	0.8	4.0	15.6	7.5	1.3	3.8	0.4	3.7	0.2	3.3	566
1997	216	4.1	11.8	15.7	2.6	1.7	0.8	3.9	16.1	7.8	1.3	3.2	0.4	3.3	0.2	3.2	567
1998	213	4.4	11.9	15.9	2.7	1.4	0.6	4.1	16.3	8.1	1.3	3.4	0.4	3.2	0.2	3.3	572
1999	213	4.7	12.6	16.4	2.6	1.5	0.6	4.4	16.7	7.5	1.3	3.1	0.4	2.8	0.2	3.2	585
2000	210	4.5	12.7	17.1	2.6	1.5	0.5	3.8	16.6	7.3	1.2	2.9	0.3	2.6	0.2	3.8	593
2001	207	4.4	12.8	17.2	2.6	1.5	0.5	3.4	16.3	7.3	1.2	2.2	0.2	3.2	0.2	3.5	587
2002 5/	206	4.4	12.9	17.7	2.6	1.8	0.5	3.7	16.4	6.9	1.2	2.1	0.2	3.0	0.2	3.6	583

1/ Based on total population except for fluid products (resident population).

2/ Product weight of beverage milks, fluid creams, egg nog, and yogurt.

3/ Includes mellorine. May not be comparable across time.

4/ Includes modified whey products.

5/ Preliminary

Fluid milk sales by product, 1975-2002

Year	Whole milk	Lower fat milk	Skim milk	Flavored whole milk	Other flavored milk	Butter-milk	Total beverage milk
Million pounds							
1975	36,188	11,468	2,480	1,366	719	1,011	53,232
1976	35,241	12,431	2,524	1,475	864	1,021	53,556
1977	34,036	13,426	2,617	1,446	1,062	1,007	53,594
1978	33,235	14,250	2,543	1,359	1,097	983	53,467
1979	32,480	15,043	2,604	1,236	1,129	939	53,431
1980	31,253	15,918	2,636	1,075	1,197	927	53,006
1981	30,397	16,662	2,583	843	1,288	926	52,699
1982	29,350	17,038	2,449	710	1,283	950	51,780
1983	28,871	17,638	2,474	749	1,374	1,006	52,112
1984	28,204	18,525	2,726	907	1,409	1,020	52,791
1985	27,760	19,812	3,009	882	1,430	1,046	53,939
1986	26,446	21,156	3,236	851	1,516	1,017	54,222
1987	25,644	21,390	3,406	830	1,608	1,040	53,918
1988	24,691	22,214	3,979	816	1,630	1,006	54,336
1989	22,823	23,744	5,006	770	1,611	910	54,864
1990	21,333	24,509	5,702	691	1,657	879	54,771
1991	20,769	25,039	6,000	672	1,719	855	55,054
1992	20,196	25,225	6,357	689	1,745	808	55,020
1993	19,460	24,825	6,844	690	1,776	780	54,375
1994	19,223	24,735	7,414	702	1,842	760	54,676
1995	18,662	24,202	8,359	704	1,914	739	54,580
1996	18,698	24,011	8,871	662	2,075	711	55,028
1997	18,413	23,709	9,139	676	2,154	691	54,782
1998	18,147	23,446	9,203	788	2,256	676	54,516
1999	18,467	23,571	8,985	877	2,339	668	54,907
2000	18,448	23,649	8,435	892	2,444	622	54,490
2001	18,007	23,630	8,225	973	2,553	592	53,980
2002 3/	17,960	23,610	8,030	1,030	3,010	576	54,216

	Half and half	Light cream 1/	Heavy cream 1/	Sour cream 2/	Total cream products	Eggnog	Yogurt	Total all products
Million pounds								
1975	514	87	119	350	1,070	76	425	54,803
1976	530	76	129	350	1,085	87	465	55,193
1977	536	68	126	364	1,094	94	515	55,297
1978	537	70	123	374	1,104	94	545	55,210
1979	543	66	139	395	1,143	94	550	55,218
1980	551	55	159	408	1,173	95	570	54,844
1981	568	56	166	424	1,214	100	560	54,573
1982	569	62	172	451	1,254	104	600	53,738
1983	599	67	196	484	1,346	112	740	54,310
1984	656	74	221	523	1,474	116	840	55,221
1985	714	85	243	544	1,586	121	940	56,586
1986	759	103	260	565	1,687	121	1,000	57,030
1987	755	103	272	589	1,719	124	1,074	56,835
1988	752	100	293	608	1,753	129	1,150	57,368
1989	769	101	318	622	1,810	124	1,119	57,917
1990	739	88	324	625	1,776	123	1,055	57,725
1991	768	79	317	659	1,823	111	1,109	58,097
1992	804	88	335	692	1,919	115	1,154	58,208
1993	821	91	349	694	1,955	107	1,286	57,723
1994	813	84	371	710	1,978	108	1,392	58,154
1995	831	95	402	767	2,095	112	1,646	58,433
1996	876	105	450	762	2,193	103	1,588	58,912
1997	883	119	504	794	2,300	102	1,574	58,758
1998	895	134	515	817	2,361	102	1,639	58,618
1999	960	168	555	841	2,524	109	1,717	59,257
2000	1,008		743	914	2,665	93	1,837	59,085
2001	1,146		797	990	2,933	105	2,003	59,021
2002 3/	1,140		720	1,031	2,891	127	2,135	59,369

1/ Light and heavy cream no longer separated, beginning 2000.

2/ Includes sour cream dips in CA and sour cream used in dips elsewhere.

3/ Preliminary.

Per capita consumption of selected cheese varieties, 1970-2002

	American			Italian						Miscellaneous		
	Cheddar	Other 1/	Total	Provolone	Romano	Parmesan	Mozzarella	Ricotta	Other	Total	Swiss 2/	Brick
	Pounds											
1970	5.79	1.22	7.02	0.23	0.15	0.17	1.19	0.24	0.08	2.06	0.89	0.10
1971	5.94	1.42	7.35	0.22	0.14	0.20	1.38	0.28	0.07	2.30	0.94	0.11
1972	6.04	1.67	7.71	0.24	0.16	0.23	1.58	0.31	0.08	2.60	1.06	0.10
1973	6.10	1.76	7.86	0.27	0.15	0.18	1.77	0.34	0.09	2.81	1.06	0.11
1974	6.32	2.16	8.48	0.27	0.15	0.25	1.86	0.33	0.09	2.96	1.18	0.11
1975	6.04	2.13	8.17	0.28	0.22	0.17	2.12	0.38	0.07	3.24	1.10	0.09
1976	6.45	2.46	8.91	0.31	0.17	0.27	2.32	0.41	0.08	3.56	1.25	0.09
1977	6.80	2.43	9.23	0.35	0.16	0.26	2.47	0.41	0.09	3.73	1.21	0.07
1978	6.94	2.61	9.55	0.36	0.18	0.28	2.69	0.44	0.11	4.06	1.34	0.08
1979	6.93	2.69	9.62	0.40	0.16	0.32	2.81	0.46	0.08	4.24	1.36	0.06
1980	6.85	2.80	9.65	0.42	0.15	0.28	3.02	0.47	0.10	4.44	1.33	0.07
1981	7.03	3.14	10.18	0.45	0.14	0.30	2.98	0.49	0.09	4.45	1.27	0.06
1982	8.72	2.61	11.34	0.47	0.17	0.32	3.29	0.47	0.11	4.84	1.30	0.06
1983	9.11	2.52	11.63	0.50	0.16	0.32	3.68	0.54	0.09	5.28	1.25	0.06
1984	9.53	2.32	11.85	0.54	0.17	0.35	4.03	0.58	0.09	5.77	1.24	0.07
1985	9.76	2.42	12.19	0.56	0.21	0.38	4.63	0.60	0.08	6.46	1.29	0.08
1986	9.76	2.36	12.12	0.57	0.16	0.33	5.19	0.63	0.10	6.99	1.29	0.08
1987	10.60	1.80	12.41	0.61	0.23	0.42	5.62	0.68	0.08	7.63	1.24	0.12
1988	9.52	1.98	11.50	0.61	0.19	0.49	6.01	0.73	0.11	8.13	1.29	0.10
1989	9.17	1.86	11.03	0.61	0.20	0.42	6.44	0.75	0.08	8.50	1.24	0.07
1990	9.03	2.09	11.13	0.63	0.14	0.43	6.92	0.78	0.06	8.97	1.35	0.07
1991	9.02	2.01	11.03	0.62	0.17	0.46	7.20	0.84	0.06	9.34	1.22	0.06
1992	9.15	2.11	11.26	0.64	0.14	0.53	7.67	0.88	0.06	9.91	1.19	0.06
1993	9.05	2.26	11.31	0.68	0.13	0.50	7.48	0.88	0.08	9.74	1.19	0.05
1994	9.01	2.41	11.42	0.70	0.14	0.45	7.85	0.90	0.13	10.18	1.15	0.05
1995	8.97	2.71	11.68	0.69	0.16	0.39	7.97	0.90	0.16	10.27	1.11	0.04
1996	9.04	2.76	11.80	0.77	0.16	0.28	8.34	0.93	0.13	10.62	1.08	0.04
1997	9.43	2.39	11.82	0.74	0.17	0.61	8.23	0.87	0.15	10.76	1.00	0.03
1998	9.41	2.49	11.90	0.81	0.15	0.52	8.57	0.87	0.19	11.11	1.03	0.03
1999	9.76	2.80	12.56	0.80	0.17	0.41	9.03	0.90	0.24	11.55	1.06	0.03
2000	9.70	2.98	12.68	0.88	0.17	0.44	9.33	0.87	0.28	11.97	1.03	0.03
2001	9.85	2.94	12.79	0.89	0.18	0.45	9.69	0.83	0.29	12.33	1.15	0.03
2002 3/	9.67	3.20	12.87	0.92	0.19	0.50	9.75	0.83	0.30	12.49	1.07	0.03

Per capita consumption of selected cheese varieties, 1970-2002

(continued)

	Miscellaneous--continued					All cheese	Processed products				Consumed as natural cheese
	Munster	Cream and Neufchatel	Blue 4/	Other	Total		Cheese	Foods and spreads	Total processed	Cheese content	
	Pounds										
1970	0.17	0.61	0.15	0.37	2.29	11.37	3.32	2.20	5.53	4.42	6.95
1971	0.19	0.63	0.15	0.36	2.38	12.03	3.55	2.31	5.86	4.68	7.35
1972	0.22	0.64	0.17	0.50	2.69	13.00	3.53	2.62	6.15	4.87	8.13
1973	0.22	0.66	0.32	0.46	2.82	13.49	3.31	2.68	5.99	4.70	8.78
1974	0.23	0.70	0.16	0.58	2.97	14.41	3.42	2.92	6.34	4.97	9.44
1975	0.24	0.74	0.16	0.53	2.86	14.27	3.35	3.34	6.69	5.17	9.10
1976	0.25	0.77	0.18	0.49	3.04	15.51	3.89	2.59	6.48	5.18	10.33
1977	0.25	0.80	0.18	0.51	3.03	15.99	3.88	3.23	7.12	5.60	10.40
1978	0.27	0.89	0.19	0.46	3.22	16.83	3.84	3.23	7.07	5.56	11.27
1979	0.28	0.94	0.18	0.48	3.30	17.16	3.83	3.12	6.94	5.48	11.68
1980	0.31	1.00	0.17	0.57	3.44	17.53	3.96	3.09	7.05	5.52	12.01
1981	0.29	1.05	0.16	0.72	3.55	18.18	3.63	3.14	6.77	5.24	12.94
1982	0.31	1.13	0.16	0.77	3.73	19.90	4.66	3.29	7.95	6.38	13.52
1983	0.30	1.15	0.16	0.73	3.66	20.57	5.09	3.32	8.41	6.76	13.80
1984	0.32	1.17	0.17	0.88	3.85	21.48	4.46	3.30	7.76	6.13	15.35
1985	0.34	1.23	0.17	0.78	3.90	22.54	4.60	3.00	7.60	6.06	16.48
1986	0.37	1.34	0.17	0.76	4.01	23.12	4.77	3.18	7.96	6.36	16.76
1987	0.38	1.41	0.17	0.74	4.06	24.10	5.23	3.18	8.41	6.82	17.28
1988	0.34	1.53	0.17	0.65	4.08	23.71	4.60	3.75	8.34	6.58	17.13
1989	0.37	1.62	0.16	0.81	4.26	23.79	4.61	3.57	8.17	6.41	17.38
1990	0.40	1.72	0.17	0.80	4.52	24.61	4.79	3.84	8.63	6.81	17.80
1991	0.42	1.76	0.16	0.95	4.56	24.94	4.88	3.75	8.63	6.82	18.11
1992	0.45	2.01	0.15	0.83	4.69	25.86	5.19	3.33	8.52	6.84	19.02
1993	0.45	2.07	0.15	1.06	4.97	26.03	5.20	3.44	8.64	6.91	19.12
1994	0.43	2.18	0.16	0.99	4.95	26.55	5.27	3.44	8.71	6.98	19.57
1995	0.41	2.04	0.16	1.20	4.96	26.91	5.45	3.25	8.70	7.01	19.90
1996	0.40	2.13	0.17	1.07	4.89	27.31	5.44	3.32	8.76	7.04	20.27
1997	0.37	2.25	0.18	1.10	4.94	27.52	4.92	3.05	7.97	6.40	21.13
1998	0.34	2.25	0.19	0.90	4.74	27.75	4.44	3.70	8.14	6.38	21.37
1999	0.29	2.29	0.21	0.97	4.85	28.95	4.65	3.98	8.62	6.76	22.19
2000	0.30	2.43	0.20	1.11	5.11	29.77	4.85	3.19	8.04	6.43	23.34
2001	0.29	2.26	0.20	0.96	4.88	30.00	4.22	3.46	7.68	6.05	23.95
2002 3/	0.28	2.46	0.20	1.16	5.20	30.56	4.07	3.40	7.48	4.84	25.72

1/ Includes Colby, washed curd, stirred curd, Monterey, and Jack. 2/Includes imported Emmentaler and Gruyere.

3/ Preliminary. 4/ Includes Gorgonzola. Numbers may not add due to rounding.

Commercial disappearance: Milk in all products, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	14,309	13,229	14,859	14,585	15,118	14,312	14,202	14,130	13,459	13,870	13,479	14,206	169,758
Farm use	97	88	96	94	97	93	97	97	94	97	94	97	1,141
Marketings	14,212	13,141	14,763	14,491	15,021	14,219	14,105	14,033	13,365	13,773	13,385	14,109	168,617
Beginning commercial stocks	7,041	8,262	9,184	9,605	11,005	11,888	12,361	12,746	12,150	11,243	9,958	9,113	7,041
Imports	409	361	421	386	412	457	504	420	405	417	439	473	5,103
Total supply	21,662	21,764	24,368	24,482	26,438	26,564	26,970	27,199	25,920	25,433	23,782	23,695	180,761
Utilization:													
Ending commercial stocks	8,262	9,184	9,605	11,005	11,888	12,361	12,746	12,150	11,243	9,958	9,113	9,891	9,891
USDA net removals	21	24	19	22	25	19	25	65	19	8	24	57	328
Commercial disappearance	13,379	12,556	14,744	13,455	14,525	14,184	14,199	14,984	14,658	15,467	14,645	13,747	170,542
Percent change from a year ago	0.0	-0.2	1.7	-4.6	0.9	1.5	-0.7	-0.5	7.8	5.6	-2.4	-2.6	0.5
Cumulative disappearance	13,379	25,935	40,679	54,134	68,659	82,843	97,042	112,026	126,684	142,151	156,796	170,543	
		First quarter		Second quarter		Third quarter		Fourth quarter					
		40,679		42,164		43,841		43,859					
Percent change from a year ago		0.6		-0.7		2.1		0.2					

Commercial disappearance: Milkfat, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	542	497	556	538	550	514	503	503	489	519	512	538	6,261
Farm use	4	3	4	3	4	3	3	3	3	4	4	4	42
Marketings	539	494	552	535	547	510	499	500	485	515	509	535	6,219
Beginning commercial stocks	259	304	338	353	405	437	455	469	447	413	366	335	259
Imports	14	13	15	13	14	15	17	14	14	14	15	17	175
Total supply	812	811	905	901	966	962	971	983	946	942	890	887	6,653
Utilization:													
Ending commercial stocks	304	338	353	405	437	455	469	447	413	366	335	364	364
USDA net removals	1	1	1	1	1	1	1	2	1	1	1	1	12
Commercial disappearance	507	472	551	495	528	506	501	534	532	575	554	522	6,277
Percent change from a year ago	0.1	0.2	2.4	-4.2	1.9	1.5	-1.3	-0.4	7.9	5.8	-1.7	-2.3	0.8
Cumulative disappearance	507	979	1,530	2,025	2,552	3,059	3,560	4,094	4,626	5,201	5,755	6,276	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1,530			1,529			1,567			1,650			
Percent change from a year ago	0.9			-0.3			2.0			0.6			

Commercial disappearance: Skim solids, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	1,253	1,146	1,290	1,266	1,311	1,234	1,211	1,204	1,153	1,207	1,178	1,230	14,682
Farm use	8	8	8	8	8	8	8	8	8	8	8	8	99
Marketings	1,244	1,138	1,281	1,258	1,302	1,226	1,203	1,196	1,145	1,198	1,170	1,222	14,583
Beginning commercial stocks	696	721	770	794	829	856	873	882	813	746	708	693	696
Imports	24	29	34	34	39	40	47	38	38	38	40	38	439
Total supply	1,964	1,888	2,085	2,086	2,170	2,122	2,123	2,116	1,996	1,982	1,918	1,953	15,718
Utilization:													
Ending commercial stocks	721	770	794	829	856	873	882	813	746	708	693	739	739
USDA net removals	67	82	85	98	114	87	85	53	41	20	39	69	839
Commercial disappearance	1,176	1,036	1,206	1,159	1,200	1,162	1,156	1,250	1,209	1,254	1,186	1,145	14,140
Percent change from a year ago	0.6	-3.7	-1.4	-3.1	-2.9	1.5	-1.7	1.7	5.0	1.2	0.1	-0.9	-0.3
Cumulative disappearance	1,176	2,212	3,419	4,577	5,778	6,939	8,095	9,345	10,554	11,809	12,994	14,139	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	3,419			3,520			3,615			3,585			
Percent change from a year ago	-1.4			-1.6			1.6			0.1			

Commercial disappearance: Butter, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Supply:													
Production	140.1	124.2	127.7	131.6	125.5	95.8	94.4	88.9	92.8	102.6	103.9	127.6	1,355.1
Beginning commercial stocks	55.5	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	55.5
Imports	2.2	4.1	3.9	2.6	2.0	3.1	3.0	2.7	1.8	2.0	2.5	4.9	34.9
Total supply	197.8	227.2	260.5	278.0	322.1	323.5	338.4	334.9	321.6	311.8	269.2	267.1	1,445.5
Utilization:													
Ending commercial stocks	98.9	128.9	143.8	194.6	224.6	241.0	243.3	227.0	207.2	162.8	134.6	157.3	157.3
USDA net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial disappearance	98.9	98.3	116.7	83.4	97.5	82.5	95.1	107.9	114.4	149.0	134.6	109.8	1,288.2
Percent change from a year ago	16.4	1.3	10.1	-16.3	7.4	-5.2	-2.0	-10.8	19.8	20.5	-7.7	-13.5	1.0
Cumulative disappearance	98.9	197.2	313.9	397.3	494.8	577.3	672.4	780.3	894.7	1,043.7	1,178.3	1,288.1	
		First quarter			Second quarter			Third quarter			Fourth quarter		
		313.9			263.4			317.4			393.4		
Percent change from a year ago		9.0			-5.1			1.2			-0.8		

Commercial disappearance: Nonfat dry milk, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	128.7	127.7	153.1	164.2	163.4	153.0	129.1	117.9	97.2	103.4	99.0	132.5	1,569.0
Beginning commercial stocks	124.5	120.1	144.6	159.9	164.1	169.7	177.8	152.4	109.5	84.7	79.4	85.8	124.5
Imports	0.0	1.1	0.2	0.5	2.7	1.6	3.4	1.7	1.3	0.9	0.3	0.0	13.8
Total supply	253.2	248.9	297.9	324.6	330.2	324.3	310.3	272.0	208.0	189.0	178.7	218.3	1,707.3
Utilization:													
Ending commercial stocks	120.1	144.6	159.9	164.1	169.7	177.8	152.4	109.5	84.7	79.4	85.8	103.0	103.0
USDA net removals	66.7	81.6	85.7	98.2	114.7	86.9	84.6	47.8	39.8	20.2	37.3	65.1	828.6
Commercial disappearance	66.4	22.7	52.3	62.3	45.8	59.6	73.3	114.7	83.5	89.4	55.6	50.2	775.7
Percent change from a year ago	39.2	-70.4	-23.6	-21.9	-44.7	-8.0	-25.4	-4.2	-11.2	0.0	-0.9	-26.8	-18.0
Cumulative disappearance	66.4	89.1	141.4	203.7	249.5	309.1	382.4	497.1	580.6	670.0	725.6	775.8	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	141.4			167.7			271.5			195.2			
Percent change from a year ago	-26.7		-26.3		-13.0		-8.8						

Commercial disappearance: American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Million pounds													
Supply:													
Production	317.5	292.9	322.1	320.4	329.9	314.0	305.4	309.6	285.5	297.8	294.4	317.4	3,709.0
Beginning commercial stocks	448.3	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	448.3
Imports	4.4	2.3	3.8	2.5	6.1	16.3	14.0	11.0	7.9	7.8	4.8	3.1	83.9
Total supply	770.2	754.1	816.3	820.5	849.0	865.7	867.3	893.4	858.4	817.6	799.7	794.1	4,241.2
Utilization:													
Ending commercial stocks	458.9	490.4	497.6	513.0	535.4	547.9	572.8	565.0	512.0	500.5	473.6	493.1	493.1
USDA net removals	0.7	0.7	0.0	0.0	0.0	0.0	0.7	5.9	1.1	0.4	1.7	4.6	15.8
Commercial disappearance	310.6	263.0	318.7	307.5	313.6	317.8	293.8	322.5	345.3	316.7	324.4	296.4	3,732.3
Percent change from a year ago	-4.8	-4.2	3.6	4.0	-1.8	9.2	0.4	1.2	17.4	-5.9	2.0	-3.5	1.4
Cumulative disappearance	310.6	573.6	892.3	1,199.8	1,513.4	1,831.2	2,125.0	2,447.5	2,792.8	3,109.5	3,433.9	3,730.3	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	892.3			938.9			961.6			937.5			
Percent change from a year ago	-1.8			3.6			6.2			-2.5			

Commercial disappearance: American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	319.5	285.6	318.5	309.6									
Beginning commercial stocks	493.1	511.9	537.9	528.4	528.1								
Imports	5.2	9.4	7.5	5.8									
Total supply	817.8	806.9	863.9	843.8									
Utilization:													
Ending commercial stocks	511.9	537.9	528.4	528.1	533.9								
USDA net removals	1.9	2.9	10.4	9.0	10.6								
Commercial disappearance	304.0	266.1	325.1	306.7									
Percent change from a year ago	-2.1	1.2	2.0	-0.3									
Cumulative disappearance	304.0	570.1	895.2	1,201.9									
	First quarter			Second quarter			Third quarter			Fourth quarter			
	895.2												
Percent change from a year ago	0.3												

Commercial disappearance: Other-than-American cheese, 2002

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	399.9	375.0	420.7	398.8	418.3	394.3	386.8	404.7	396.4	434.3	431.1	429.7	4,890.0
Beginning commercial stocks	210.9	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	210.9
Imports	20.6	28.6	32.8	34.5	33.6	26.9	34.6	30.3	32.4	34.2	40.0	39.7	388.2
Total supply	631.4	637.5	682.7	666.7	704.0	674.1	670.3	695.2	664.9	709.5	690.1	692.4	5,489.1
Utilization:													
Ending commercial stocks	233.9	229.2	233.4	252.1	252.9	248.9	260.2	236.1	241.0	219.0	223.0	236.8	236.8
USDA net removals													
Commercial disappearance	397.5	408.3	449.3	414.6	451.1	425.2	410.1	459.1	423.9	490.5	467.1	455.6	5252.3
Percent change from a year ago	1.7	10.2	-2.4	-2.4	5.1	3.1	-1.9	9.3	6.7	11.2	-1.3	8.2	3.8
Cumulative disappearance	397.5	805.8	1255.1	1669.7	2120.8	2546.0	2956.1	3415.2	3839.1	4329.6	4796.7	5252.3	
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1255.1			1290.9			1293.1			1413.2			
Percent change from a year ago	2.8			1.9			4.7			5.8			

Commercial disappearance: Other-than-American cheese, 2003

Item	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
	Million pounds												
Supply:													
Production	398.2	367.9	416.9	412.7									
Beginning commercial stocks	236.8	247.3	230.2	240.5	246.3								
Imports	22.3	26.5	32.2	31.5									
Total supply	657.3	641.7	679.3	684.7									
Utilization:													
Ending commercial stocks	247.3	230.2	240.5	246.3	251.4								
USDA net removals													
Commercial disappearance	410.0	411.5	438.8	438.4									
Percent change from a year ago	3.1	0.8	-2.3	5.7									
Cumulative disappearance	410.0	821.5	1260.3	1698.7									
	First quarter			Second quarter			Third quarter			Fourth quarter			
	1260.3												
Percent change from a year ago	0.4												

Poultry and egg costs and returns

Date	DECATUR CHICAGO		COST PER POUND		COST PER POUND		NET RETURNS	
	SOYBEAN	No. 2	LIVEWEIGHT BASIS		R.T.C. BASIS		12-CITY	BEFORE
	MEAL	CORN	Feed	Total	Production	Total	PRICE	INTEREST & OVERHEAD
	\$ / ton	\$ / bushel	-----		cents/lb	-----		
BROILERS								
Apr-2002	161.60	2.03	14.45	24.80	32.63	46.73	53.47	6.74
May-2002	164.30	2.08	14.62	24.97	32.85	46.95	56.42	9.47
June-2002	170.30	2.15	14.60	24.95	32.82	46.92	58.44	11.52
July-2002	187.50	2.33	14.79	25.14	33.08	47.18	57.47	10.29
Aug-2002	186.25	2.63	15.11	25.46	33.51	47.61	55.72	8.11
Sept-2002	185.50	2.70	16.00	26.35	34.67	48.77	55.88	7.11
Oct-2002	168.20	2.58	16.69	27.04	35.58	49.68	52.97	3.29
Nov-2002	163.20	2.47	16.84	27.19	35.78	49.88	53.42	3.54
Dec-2002	163.60	2.41	16.10	26.45	34.81	48.91	54.74	5.83
Jan-2003	167.40	2.41	15.71	26.06	34.28	48.38	60.46	12.08
Feb-2003	176.80	2.43	15.57	25.92	34.11	48.21	60.49	12.28
Mar-2003	175.40	2.43	15.67	26.02	34.24	48.34	60.02	11.68
Apr-2003	182.10	2.48	15.96	26.31	34.62	48.72	57.78	9.06
May-2003	195.40	2.54	15.93	26.28	34.57	48.67	59.44	10.77
3-REGION WHOLESALE PRICE								
TURKEYS								
Apr-2002	161.60	2.03	19.86	33.56	41.94	58.24	56.70	-1.54
May-2002	164.30	2.08	19.69	33.39	41.74	58.04	60.61	2.57
June-2002	170.30	2.15	20.00	33.70	42.13	58.43	62.43	4.00
July-2002	187.50	2.33	19.98	33.68	42.09	58.39	63.13	4.74
Aug-2002	186.25	2.63	20.30	34.00	42.50	58.80	62.88	4.08
Sept-2002	185.50	2.70	20.87	34.57	43.21	59.51	62.24	2.73
Oct-2002	168.20	2.58	22.41	36.11	45.13	61.43	62.51	1.08
Nov-2002	163.20	2.47	23.54	37.24	46.55	62.85	65.03	2.18
Dec-2002	163.60	2.41	23.79	37.49	46.86	63.16	63.40	0.24
Jan-2003	167.40	2.41	22.48	36.18	45.23	61.53	59.23	-2.30
Feb-2003	176.80	2.43	21.80	35.50	44.38	60.68	59.21	-1.47
Mar-2003	175.40	2.43	21.58	35.28	44.11	60.41	59.72	-0.68
Apr-2003	182.10	2.48	21.77	35.47	44.33	60.63	59.90	-0.74
May-2003	195.40	2.54	22.29	35.99	44.99	61.29	58.92	-2.37
WHOLESALE								
EGGS								
			FEED	TOTAL	WHOLESALE			
			COST	Production	TOTAL	12-METRO		
					COST	PRICE		
Apr-2002	161.60	2.03	24.60	42.80	63.30	60.38	-2.93	
May-2002	164.30	2.08	24.52	42.72	63.22	55.79	-7.44	
June-2002	170.30	2.15	24.94	43.14	63.64	68.79	5.15	
July-2002	187.50	2.33	25.61	43.81	64.31	63.80	-0.52	
Aug-2002	186.25	2.63	27.42	45.62	66.12	70.05	3.93	
Sept-2002	185.50	2.70	29.21	47.41	67.91	65.11	-2.81	
Oct-2002	168.20	2.58	29.61	47.81	68.31	66.18	-2.13	
Nov-2002	163.20	2.47	28.17	46.37	66.87	85.75	18.87	
Dec-2002	163.60	2.41	27.30	45.50	66.00	80.06	14.06	
Jan-2003	167.40	2.41	26.94	45.14	65.64	79.50	13.86	
Feb-2003	176.80	2.43	27.10	45.30	65.80	74.25	8.45	
Mar-2003	175.40	2.43	27.60	45.80	66.30	80.00	13.70	
Apr-2003	182.10	2.48	27.54	45.74	66.24	74.70	8.46	
May-2003	195.40	2.54	28.12	46.32	66.82	69.25	2.43	

NOTE - These statistical series were developed to estimate the net returns for a specific basic product (whole broilers and turkeys, and large cartoned eggs). They are not intended as estimates of the net returns for all products produced by the broiler, turkey, or egg industries or by individual firms.